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Cook County Recorder 44.00



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4 of 4 LHYNES 8032256 -D1

Prepared by:

Ron D. Talley
Hunter, Maclean, Exley & Dunn, P.C.
Post Office Box 9848
Savannah, Georgia 31412-0048

Recording requested by,
and after recording, return to:

General Electric Capital BAF Corporation
Attn: Middle Market Risk
10900 Northeast Fourth Street, Suite 500
Bellevue, Washington 98004

Loan Number: 2402995-102

Tax Identification No. 08-34-101-041-0000

SUBORDINATION AND LESSEE-LESSOR ESTOPPEL AGREEMENT

(1501 Tonne Road, Elk Grove Village, Cook County, Illinois)

This Agreement is entered into as of August 30, 2002, by and between C.R. LAURENCE CO., INC., a California corporation ("Lessee"), whose address is 2503 East Vernon Avenue, Los Angeles, California 90058-1897, and GENERAL ELECTRIC CAPITAL BUSINESS ASSET FUNDING CORPORATION, a Delaware corporation (together with its successors and assigns, "Lender"), whose address is Middle Market Risk, 10900 Northeast Fourth Street, Suite 500, Bellevue, Washington 98004.

RECITALS:

A. Lessee is the present lessee under a lease (the "Lease") dated April 19, 1988, amended June 22, 1995, and August 30, 2002, made by The Noran Company, a California general partnership, as Lessor (the "Lessor"), demising all or a portion of the premises described on Exhibit A (the "Leased Premises").

B. Lessee has been advised that the Lease has been or will be assigned to Lender as security for a loan with an original principal balance of Six Hundred Eighty-Six Thousand Five Hundred and no hundredths Dollars (\$686,500.00) (the "Loan") secured by a Mortgage, Security Agreement,

BOX 333-CT

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Assignment of Leases and Rents and Fixture Filing (the "Mortgage") to be recorded contemporaneously herewith covering the Leased Premises.

C. A condition precedent to Lender's disbursement of Loan proceeds is that Lessor obtain this Agreement from Lessee in order to confirm certain matters and to subordinate the Lease and Lessee's interest in the Leased Premises to the lien of the Mortgage.

D. It will be of benefit to Lessee if Lender disburses the Loan proceeds to Lessor.

Now, therefore, the parties hereto agree as follows:

1. Lessee represents and warrants to Lender as follows:

- (a) Lessee has accepted possession and is in occupancy of the Leased Premises pursuant to the terms of the Lease, and the Lease is in full force and effect.
- (b) The improvements and space required to be furnished according to the Lease have been completed in all respects, all amounts owing from Lessor to Lessee in connection with delivery and construction of the Leased Premises (including, without limitation, tenant improvement costs, liquidated damages, and charges for construction delays) have been paid, and Lessee hereby waives any and all rights and remedies which Lessee may have against Lessor (including, without limitation, any right to terminate the Lease) as a result of any breach by Lessor of any of its obligations under the Lease relating to the delivery, construction or condition of the Leased Premises.
- (c) Lessor has fulfilled all of its duties of an inducement nature.
- (d) The Lease has not been modified, altered or amended, except as set forth above.
- (e) There are no offsets or credits against rentals, nor have rentals been prepaid except as provided by the Lease terms.
- (f) Rental commenced to accrue on May 1, 1988, current monthly rent is \$22,416.67, and there is currently no outstanding unpaid rent. The primary Lease term commenced on May 1, 1988, and expires on July 31, 2010.
- (g) Lessee has no notice of a prior assignment, hypothecation or pledge of rents on the Lease.
- (h) Lessee has no claims to or interest in the Leased Premises legal or equitable, or any contract or option therefor other than as a Lessee under the Lease. The Lease does not contain, and Lessee does not have, an outstanding option to purchase the Leased Premises or an outstanding option to extend or renew the term of the Lease except for one (1) option to renew the term of the Lease for a period of ten (10) years.
- (i) The existing parking facilities are located on the property described on Exhibit A and meet Lessee's Lease requirements.
- (j) There are no concessions or inducements which have been promised by Lessor or any other party to Lessee other than as set forth in the Lease.

(k) Lessor is not in default of any of its obligations under the Lease and no events have occurred which, with notice, the passage of time or both, would constitute a default in any of Lessor's obligations under the Lease.

(l) Lessee has paid Lessor \$36,787.50 as a security or similar type deposit.

2. Lessee shall promptly provide Lender at its Middle Market Risk, 10900 Northeast Fourth Street, Suite 500, Bellevue, Washington 98004, with a written notice of any default on the part of the Lessor under the Lease, and Lessee hereby grants to Lender the option to cure said default within a reasonable length of time. Lessee further agrees that it shall not invoke any of its remedies under this Lease or any other remedies available to Lessee at law or in equity during any period that Lender is proceeding to cure any such default with due diligence, or is taking steps with due diligence to obtain the legal right to enter the Leased Premises and cure any such default.

3. Without the prior written consent of Lender, Lessee shall not (a) modify or in any manner alter the terms of the Lease; (b) pay the rent or any other sums becoming due under the terms of the Lease more than one month in advance; (c) accept Lessor's waiver of or release from the performance of any obligations under the Lease; (d) assign or sublet any interest under the Lease; (e) make any structural changes to the Leased Premises; or (f) agree with Lessor to terminate the Lease.

4. Should Lender advise Lessee that Lessor is in default in the indebtedness to Lender and request that payment of all future rentals be made directly to Lender, Lessee shall make all future rental payments under the Lease directly to Lender until instructed otherwise by Lender. Lessee shall not be liable to Lessor for any rental payments actually paid to Lender pursuant to this Section 4.

5. Notwithstanding anything in the Lease or any other document to the contrary, Lessee hereby agrees that the Lease and all right, title and interest of Lessee in, to and under the Lease (including, without limitation, all options or rights of first refusal to purchase the Leased Premises) are now, and shall at all times continue to be, unconditionally subject and subordinate in each and every respect, to the Mortgage and to any and all renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Mortgage. Lessee hereby agrees that Lender shall not be bound by any nondisturbance provisions in the Lease. Lessee hereby agrees that, for so long as the Mortgage is a lien on the Leased Premises, Lessee will not subordinate the estate of Lessee in the Lease to any other mortgages or deeds of trust or any other security instruments.

6. To the extent that the Lease shall entitle Lessee to notice of any deed of trust, this Agreement shall constitute such notice to Lessee with respect to the Mortgage and Lessee hereby waives notice of any and all renewals, modifications, extensions, substitutions, replacements, and/or consolidations of the Mortgage.

7. The terms "holder of any deed of trust/mortgage on the fee title of the building", "fee deed of trust/mortgage", "holder of a deed of trust/mortgage" or any similar terms in the Lease shall be deemed to include Lender, its successors and assigns, including anyone who shall have succeeded to Lessor's interest by, through or under foreclosure of the Mortgage or deed in lieu of such foreclosure. The terms "deed of trust/mortgage affecting the real property," "deed of trust/mortgage," or any similar terms, shall be deemed to include the Mortgage to be recorded simultaneously herewith securing the Loan.

8. This Agreement may be modified only by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon Lender, Lessor and Lessee, and their successors and assigns.

9. Notwithstanding anything in the Lease to the contrary, upon Lessee's default under the Lease, Lessor and Lender shall have all rights and remedies available to them at law or in equity.

10. To the extent of any conflict between the provisions of the Mortgage and the Lease which govern the application and disbursement of insurance and condemnation proceeds, the provisions of the Mortgage shall control. Notwithstanding anything in the Lease to the contrary, Lessee may not terminate the Lease because of damage to or condemnation of the Leased Premises unless (a) Lessee's use and operation of the Leased Premises is materially impaired by the damage to or condemnation of the Leased Premises, or (b) at least twenty-five percent (25%) of the net rentable area of the Leased Premises is damaged or condemned. Notwithstanding anything in the lease to the contrary, Lessee may not terminate the Lease because of any delay in repairing or rebuilding the Leased Premises unless the Leased Premises are not repaired or rebuilt within one hundred eighty (180) days after the date of damage or condemnation.

11. In the event suit or action is instituted to enforce or interpret this Agreement, the prevailing party shall be entitled to recover all expenses reasonably incurred at, before or after trial and on appeal, whether or not taxable as costs, or in any bankruptcy proceeding, including, without limitation, attorneys' fees, witness fees (expert and otherwise), deposition costs, copying charges and other expenses.

12. Lessee agrees that upon the request of Lender from time to time (but no more than annually, if no Event of Default shall have occurred and be continuing), Lessee shall furnish to Lender a copy of Lessee's balance sheet and profit and loss statement, which shall be prepared in accordance with generally accepted accounting principles and practices consistently applied.

13. Lessee warrants, represents, covenants and agrees that it will not use, produce, store, release, dispose of or bring into the Leased Premises any hazardous waste or materials or allow any other entity or person to do so except as incidentally related to the operation and maintenance of the Leased Premises and equipment located therein, such as small amounts of pesticides, insecticides, cleaning supplies and "Level 3" aerosols used or sold in Lessee's operation of the Leased Premises, which substances shall be stored and used in accordance with applicable laws and regulations and used in a prudent manner. As used herein, the term "hazardous waste or materials" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute, regulation, rule or ordinance now or hereafter in effect including, without limitation, petroleum products and by-products, asbestos, polychlorinated biphenyls, chlorinated solvents, and urea formaldehyde. Lessee agrees to indemnify and hold harmless Lessor and Lender against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, cleanup costs, remedial actions, costs and expenses (including, without limitation, attorneys' fees and disbursements) which may be imposed on, incurred or paid by, or asserted against Lessor and/or Lender directly or indirectly arising from or attributable to any misrepresentation or breach of any warranty, covenant or agreement by Lessee under this section. The provisions of this section shall survive expiration or termination of the Lease.

14. Lessee hereby agrees that if Lender elects at any time to have the Lease superior to its Mortgage and gives notice of its election to Lessee, then the Lease shall be superior to the lien of any such Mortgage and all renewals, modifications, extensions, substitutions, replacements and/or consolidations thereof, whether the Lease is dated or recorded before or after the Mortgage or mortgage. If Lender shall become the owner of the Leased Premises, or if the Leased Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage, or if the Leased Premises shall be transferred by deed in lieu of foreclosure, then at Lender's sole option (i) the Lease shall continue in full force and effect as a direct lease agreement between Lessee and the then owner of the Leased Premises (including Lender or the grantee under any deed given as a result of any

foreclosure or in lieu of foreclosure), upon and subject to all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, and (ii) Lessee shall attorn to Lender or any other such owner as its Lessor, said attornment to be effective and self-operative without the execution of any further instruments. From and after Lender's or other such owner's succession to the interest of Lessor under the Lease, Lessee shall have the same remedies against Lender or such other owner for the breach of any covenant contained in the Lease that Lessee might have had under the Lease against Lessor, except that neither Lender nor any other such owner shall be:

- (a) liable for any act or omission of, or for the performance of any obligation of, any prior lessor (including Lessor), including without limitation any obligation to repair, restore or expand any part of the Leased Premises; or
- (b) subject to any offsets or defenses which Lessee might have against any prior lessor (including Lessor); or
- (c) bound by any prepayment of rent or additional rent which Lessee might have paid for more than the current month or by payment of any security deposits to any prior lessor (including Lessor), except such security deposits as have actually been received by Lender; or
- (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any prior lessor (including Lessor) made or given without the written consent of Lender or any subsequent holder of the Mortgage; or
- (e) bound by any representations or warranties of Lessor under the Lease.

However, Lender or such other owner shall not be required to recognize the rights of Lessee under the Lease, and the rights of Lessee thereunder (including any options thereunder) shall at the sole election of and upon notice by Lender or such other owner cease and terminate upon acquisition of title to or upon possession of the Leased Premises by Lender, or such owner or their respective successors and assigns, including any purchaser at a foreclosure sale.

15. Notwithstanding anything in the Lease to the contrary, Lessee hereby waives any rights it may have to an award for a taking by eminent domain, except to the extent that the award (a) compensates Lessee for moving expenses, business interruption, goodwill or taking of the property of Lessee (other than Lessee's leasehold interest), (b) is awarded separately in the eminent domain proceeding, and (c) does not reduce the amount of Lessor's award in the eminent domain proceeding.

16. Notwithstanding anything in the Lease to the contrary, Lessee agrees that any option or right or first refusal that it may have to purchase the Leased Premises shall not apply to a sale by foreclosure or a deed in lieu of foreclosure, and shall automatically be void and of no further force and effect following such sale by foreclosure or a deed in lieu of foreclosure. Lessee shall execute promptly whatever documents Lender may reasonably request from time to time in order to confirm the foregoing.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE, AMONG OTHER THINGS, IT AFFECTS THE PRIORITY OF YOUR LEASE AND BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

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Dated as of the date first above written.

LESSEE:

C. R. LAURENCE CO., INC.,
a California corporation

By: Donald E. Friese
Donald E. Friese, President and CEO

[SEAL]

LENDER:

GENERAL ELECTRIC CAPITAL BUSINESS
ASSET FUNDING CORPORATION,
a Delaware corporation

By: _____

Print: _____

Title: _____

[SEAL]

Lessor joins in the execution of this document for the purpose of acknowledging and confirming the matters herein set forth.

LESSOR:

THE NORAN COMPANY,
a California general partnership

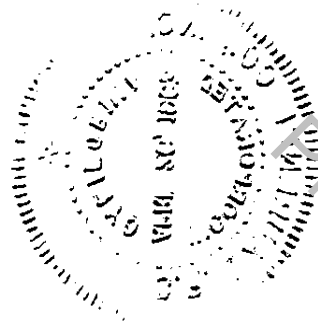
By: Donald E. Friese [L.S.]
Donald E. Friese, as Trustee of the Friese Living
Trust under Trust Agreement dated December 7,
1995, and not individually, General Partner

Exhibits:

Exhibit A - Leased Premises

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STATE OF CALIFORNIA)
)
COUNTY OF _____)

ss.

ACKNOWLEDGMENT OF LESSEE

On this 29 day of AUGUST, 2002, before me, a Notary Public in and for said county, personally appeared Donald E. Friese, to me personally known, who, being by me duly sworn or affirmed did say that he is the President and CEO of C.R. LAURENCE CO., INC., a California corporation, that the foregoing instrument was signed on behalf of the corporation by authority of its board of directors, and the said officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

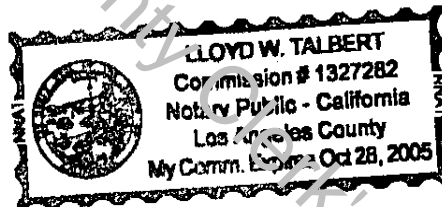
WITNESS MY HAND AND OFFICIAL SEAL.



Notary Public

My commission expires: _____

[SEAL]



STATE OF CALIFORNIA

SS

COUNTY OF _____

ACKNOWLEDGMENT OF LESSOR

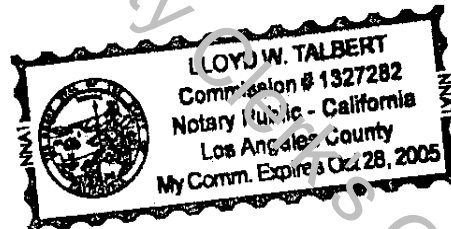
On this 29 day of August, 2002, before me, a Notary Public in and for said county, personally appeared Donald E. Friese, to me personally known [or proven upon the basis of credible evidence], who, being by me duly sworn or affirmed did say that he is a Trustee under the Friese Living Trust under Trust Agreement dated December 7, 1995, a partner in THE NORAN COMPANY, a California general partnership, that the foregoing instrument was signed on behalf of the partnership by authority of its partnership agreement or the consent of its partners, and the said partner acknowledged the execution of said instrument to be the voluntary act and deed of said partnership by it voluntarily executed.

WITNESS MY HAND AND OFFICIAL SEAL.

[Signature]
Notary Public

My commission expires: _____

[SEAL]



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Dated as of the date first above written.

LESSEE:

C. R. LAURENCE CO., INC.,
a California corporation

By: _____
Donald E. Friese, President and CEO

[SEAL]

LENDER:

GENERAL ELECTRIC CAPITAL BUSINESS
ASSET FUNDING CORPORATION,
a Delaware corporation

By: _____
Michael T. Foster

Print: _____
Michael T. Foster

Title: _____
Vice President

[SEAL]

Lessor joins in the execution of this document for the purpose of acknowledging and confirming the matters herein set forth.

LESSOR:

THE NORAN COMPANY,
a California general partnership

By: _____ [L.S.]
Donald E. Friese, as Trustee of the Friese Living
Trust under Trust Agreement dated December 7,
1995, and not individually, General Partner

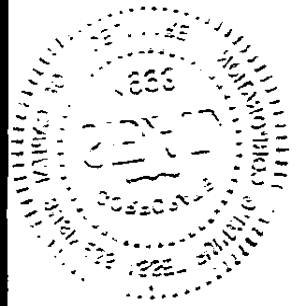
Exhibits:

Exhibit A - Leased Premises

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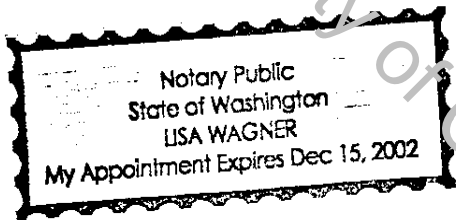
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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 28th day of August, 2002, before me, a Notary Public in and for the State of Washington, personally appeared Michael T. Foster, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Vice President of GENERAL ELECTRIC CAPITAL BUSINESS ASSET FUNDING CORPORATION to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Lisa Wagner

LISA WAGNER
(Print Name)

NOTARY PUBLIC in and for the
State of Washington, residing
Auburn

My appointment expires 12/15/02

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Loan No: 2402995-102

20986771

EXHIBIT A

(1501 Tonne Road, Elk Grove Village, Cook County, Illinois)

Legal Description:

LOT 329 IN CENTEX INDUSTRIAL PARK UNIT 202, BEING A SUBDIVISION IN THE NORTHWEST 1/4 OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 11, EAST ON THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART DEDICATED FOR STREETS), IN COOK COUNTY, ILLINOIS.

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