

Prepared By/Return To:
Gary E. Green
Coston & Lichtman
407 S. Dearborn, Suite 600
Chicago, IL 60605
(312) 427-1930



SUBORDINATION AGREEMENT

Larry Scharringhausen and Clearwater Fisheries, Inc. as sub-lessor (collectively the "Landlord"), and Hanabi Sushi, LLC as sub-lessee (the "Tenant") under that certain Lease dated July 29, 1996 and any amendments thereto and that certain Industrial Building Sub-Lease dated May 16, 2002 and any and all amendments thereto (collectively the "Lease") related to real property commonly known as 2929 West Grand Ave., Chicago, IL, legally described in Exhibit A hereto ("leased premises"), and American Enterprise Bank ("Lender"), as Lender to Tenant, hereby enter into this Subordination Agreement dated September 5, 2002 (the "Agreement") whereby the Lender has requested that the Landlord and Tenant agree to subordinate their interest in all inventory, equipment, fixtures, general intangibles and personal property located at the leased premises, including but not limited to after acquired property (the "Collateral"), subordinate Landlord and Tenant's interest in the real property subject to the Lease to the lien of Lender under the Security Agreement dated September 5, 2002 and the grant rights of the Tenant under the Lease to Lender.

NOW THEREFORE, in consideration of ten dollars and other valuable consideration, the parties hereto agree as follows:

1. Landlord and Tenant hereby agree to subordinate their respective interests in the Lease to Lender's Security Agreement dated September 5, 2002. Upon any default under the Lease, Landlord shall notify Lender in writing of the default and Lender shall have the right but not the obligation to cure the default within fifteen (15) days of the notice. Lender shall have the right but not the obligation to cure all defaults under the Lease prior to an order of possession or voluntary surrender by tenant. In the event Lender exercises the right to reinstate the Lease and obtain possession, Lender shall have the right to operate the leased premises under the terms and conditions of the Lease.
2. Landlord hereby agrees that any claim that it may have to the Collateral, whether through contract, statute, common law or otherwise, is hereby expressly subordinated to the interests and claims of Lender.
3. Landlord shall allow Lender the right to possession of the leased premises to dispose of, remove or sell the Collateral secured by Lender's loan to Tenant and specifically waives any right, claim or lien against the Collateral and Lender's

right herein to past due rent due from Tenant to Landlord..

IN WITNESS WHEREOF, the undersigned hereby agree to the terms and conditions of this Agreement.

LANDLORD:

By: [Signature]
Its: _____

TENANT:

By: [Signature]
Its: _____

SUB-LESSOR:

By: [Signature]
Its: _____

Lender:

American Enterprise Bank.

By: [Signature]
Its: [Signature]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 5th day of September, 2002, before me personally appeared Larry Scharringhausen, being by me duly sworn, did say that he is the Landlord and that said instrument was signed on his behalf and acknowledged said instrument to be the free act and deed of his. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

My Commission Expires:

[Signature]
Notary Public



UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 5th day of September, 2002, before me personally appeared Gregg Wiseman, to me personally known, who, being by me duly sworn, did say that he/she is the tenant Hanabi Sushi, LLC., an Illinois limited liability company, and that said instrument was signed on behalf of said company by authority of its Members; and said tenant acknowledged said instrument to be the free act and deed of said company. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

My Commission Expires:
OFFICIAL SEAL
MICHELLE M OSWALD
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 08/11/07

Michelle Oswald
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 5th day of September, 2002, before me personally appeared John S. Livaditis, to me personally known, who, being by me duly sworn, did say that he/she is the Sub-lessor Clearwater Fisheries, Inc., an Illinois corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and said Sub-lessor acknowledged said instrument to be the free act and deed of said corporation. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

My Commission Expires:
OFFICIAL SEAL
MICHELLE M OSWALD
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 08/11/07

Michelle Oswald
Notary Public

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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

On this 9th day of September, 2002, before me personally appeared Jeffrey L. Scott, to me personally known, who, being by me duly sworn, did say that he is the SBA Product Manager American Enterprise Bank, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and said Jeffrey L. Scott acknowledged said instrument to be the free act and deed of said Bank IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

My Commission Expires:



[Handwritten Signature]

 Notary Public

sushi sub

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UNOFFICIAL COPY**EXHIBIT A****Legal Description**

Lot 1, 2, 3, 4, 5, 6, and 7 in the Subdivision of Block 3, in B.B. Wiley's Subdivision of Block 8 in Clifford's Addition to Chicago, in Section 1, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

P.I.N.: 16-01-323-001
16-01-323-002

Commonly Known As: 2939 West Grand Avenue, Chicago, IL 60622

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