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Doc#: 0620726290 Fee: \$38.50
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Cook County Recorder of Deeds
Date: 07/26/2006 04:23 PM Pg: 1 of 8

John A. Goldstein, Esq.
Harris Kessler & Goldstein LLC
640 North LaSalle Street
Suite 590
Chicago, Illinois 60610
(312) 280-0111

PROPERTY ADDRESS:

2009-2129 South Lumber Street
Chicago, Illinois 60616

TAX IDENTIFICATION NUMBERS:

17-21-332-001-0000
17-21-332-002-0000
17-21-332-003-0000
17-21-332-010-0000
17-21-332-011-0000
17-21-332-014-0000

NEGATIVE PLEDGE AGREEMENT

THIS NEGATIVE PLEDGE AGREEMENT (this "Agreement") dated as of the 19th day of April, 2006, is made by LUMBER STREET SUPPLY CO., an Illinois corporation, with its principal place of business located at 2009 South Lumber Street, Chicago, Illinois 60616 ("Pledgor"), to and for the benefit of and FIFTH THIRD BANK (CHICAGO), a Michigan banking corporation, with an address at 222 South Riverside Plaza, 33rd Floor, Chicago, Illinois 60606 (hereinafter, together with its successors and assigns, "Pledgee").

WITNESSETH:

WHEREAS, Pledgor and Pledgee have entered into that certain Loan and Security Agreement dated as of April 20, 2005 executed by Pledgor and Pledgee (said Loan and Security Agreement, as the same from time to time may be amended, is hereinafter referred to as the "Loan Agreement"), whereby Pledgee made a revolving loan to Pledgor in an amount not exceeding Three Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) (the "Loan"), which Loan is evidenced by that certain Revolving Note dated as of April 20, 2005 in the maximum principal amount of Three

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Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) made by Pledgor and payable to Pledgee; and

WHEREAS, Pledgor desires to extend the term of the Loan and to decrease the rate of interest payable per annum thereunder pursuant to (a) that certain First Amendment to Loan and Security Agreement of even date herewith between Pledgor and Pledgee (the "First Amendment"); and (b) that certain Amended and Restated Revolving Note of even date herewith in the maximum aggregate principal amount of Three Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) made by Pledgor and payable to Pledgee (said Amended and Restated Revolving Note, and any and all amendments thereto and substitutions or replacements therefor, is hereinafter referred to as the "Note"); and

WHEREAS, McNulty Bros. Company, an Illinois corporation ("Affiliate"), and Pledgee have entered into that certain Loan and Security Agreement dated as of April 20, 2005 executed by Affiliate and Pledgee, as amended by that certain First Amendment to Loan and Security Agreement dated as of September 1, 2005 executed by Affiliate and Pledgee, and by that certain Second Amendment to Loan and Security Agreement dated as of December 6, 2005 executed by Affiliate and Pledgee (said Loan and Security Agreement, as amended and the same from time to time may be further amended, is hereinafter referred to as the "Affiliate Loan Agreement"), whereby Pledgee made a revolving loan to Affiliate in an amount not exceeding Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (the "Affiliate Loan"), which Affiliate Loan is evidenced by that certain Revolving Note dated as of April 20, 2005 in the maximum principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) made by Affiliate and payable to Pledgee, which was amended and restated pursuant to that certain Amended and Restated Revolving Note dated as of September 1, 2005 in the maximum principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) made by Affiliate and payable to Pledgee, which was further amended and restated pursuant to that certain Second Amended and Restated Revolving Note dated as of December 6, 2005 in the maximum principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) made by Affiliate and payable to Pledgee; and

WHEREAS, Affiliate desires to extend the term of the Affiliate Loan and to decrease the rate of interest payable per annum thereunder pursuant to (a) that certain Third Amendment to Loan and Security Agreement of even date herewith between Affiliate and Pledgee (the "Third Amendment"); and (b) that certain Third Amended and Restated Revolving Note of even date herewith in the maximum aggregate principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) made by Affiliate and payable to Pledgee (said Third Amended and Restated Revolving Note, and any and all amendments thereto and substitutions or replacements therefor, is hereinafter referred to as the "Affiliate Note"); and

WHEREAS, Pledgee and Affiliate are related parties with substantially the same ownership and accordingly (a) Affiliate derives a direct financial benefit from Pledgee making the Loan to Pledgor; and (b) Pledgor derives a direct financial benefit from Pledgee making the Affiliate Loan to Affiliate; and

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WHEREAS, Pledgee owns one hundred percent (100%) of the fee simple interest in and to that certain property common known as 2009-2129 South Lumber Street, Chicago, Cook County, Illinois 60616, which is legally described on Exhibit A attached hereto and made part hereof (the "Property"); and

WHEREAS, it is a condition precedent to (a) Pledgee's execution of the First Amendment and acceptance of the Note; and (b) Pledgee's execution of the Third Amendment and acceptance of the Affiliate Note, that Pledgor enter into this Agreement, which provides for, among other things, that Pledgor shall not permit or suffer to occur any sale, assignment, conveyance, mortgage, lease, pledge, encumbrance or other transfer of, or the granting of any option in, or any contract for or with respect to the Property while either the Loan or the Affiliate Loan remains outstanding, all as more particularly provided herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agree as follows:

1. For the purposes of (a) protecting Pledgee's security, both of repayment by Pledgor and Affiliate, as the case may be, and in the value of the Property; (b) giving Pledgee the full benefit of its bargain and contract with Pledgor and Affiliate, as the case may be; and (c) keeping the Property free of subordinate financing liens, Pledgor agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one, and Pledgor shall not permit or suffer to occur any sale, assignment, conveyance, mortgage, lease, pledge, encumbrance or other transfer of, or the granting of any option in, or any contract for any of the foregoing (on an installment basis or otherwise) pertaining to the Property, any part thereof, or any interest therein, whether involuntary or by operation of law or otherwise, without the prior written consent of Pledgee having been obtained to such sale, assignment, conveyance, mortgage, lease, option, pledge, encumbrance or other transfer. Pledgor agrees that in the event the ownership of the Property, any interest therein or any part thereof becomes vested in a person other than Pledgor, Pledgee may, without notice to Pledgor, deal in any way with such successor or successors in interest with reference to this Agreement, the Loan Agreement, the Note, the Affiliate Loan Agreement, the Affiliate Note and any other document executed in connection therewith, without in any way vitiating or discharging Pledgor's liability hereunder or under any other document executed in connection therewith. No sale of the Property, forbearance to any person with respect to this Agreement, or extension to any person of the time for payment of either the Note or the Affiliate Note, or both, as the case may be, given by Pledgee shall operate to release, discharge, modify, change or affect the liability of Pledgor, either in whole or in part, except to the extent specifically agreed in writing by Pledgee. Without limitation of the foregoing, in any event in which the written consent of Pledgee is required in this paragraph, Pledgee may condition its consent upon any combination of (i) the payment of compensation to be determined by Pledgee, (ii) the increase of the interest rate payable under the Note, (iii) the increase of the interest rate payable under the Affiliate Note, (iv) the shortening of maturity of the Note, (v) the shortening of maturity of the Affiliate Note, and (vi) other modifications of the terms of the Loan Agreement, the Note, the Affiliate Loan Agreement, the Affiliate Note or the other instruments executed in connection therewith. Without limitation of the provisions set forth herein, (x) in any event in which Pledgee's consent is requested in accordance with the terms of this paragraph, Pledgor

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shall pay all expenses incurred by Pledgee, including reasonable attorneys' fees, in connection with the processing of such request, and (y) the consent of Pledgee to any transfer of the Property shall not operate to release, discharge, modify, change or affect the liability of Pledgor, either in whole or in part.

2. Any and all notices given in connection with this Agreement shall be deemed adequately given only if in writing and (i) personally delivered; or (ii) sent by a nationally-recognized overnight courier service; or (iii) sent by certified United States mail, postage prepaid, return receipt requested, to the party or parties for whom such notices are intended. A written notice shall be deemed received (i) when delivered in person; (ii) on the next business day immediately following the day sent by overnight courier; and (iii) on the third (3rd) business day following the day sent by certified mail. A written notice shall also be deemed received on (i) the date delivery shall have been refused at the address required by this Agreement; or (ii) with respect to notices sent by United States mail but not delivered, the date as of which the postal service shall have indicated such notice to be undeliverable at the address required by this Agreement. Any and all notices referred to in this Agreement or which any party desires to give to another shall be addressed as follows:

If to Pledgee: Fifth Third Bank (Chicago)
222 South Riverside Plaza, 33rd Floor
Chicago, Illinois 60606
Attention: Jeffrey A. Steigelman

with a copy to: Harris Kessler & Goldstein LLC
640 North LaSalle Street, Suite 590
Chicago, Illinois 60610
Attention: John A. Goldstein, Esq.

If to Pledgor: Lumber Street Supply Co.
2009 South Lumber Street
Chicago, Illinois 60025

with a copy to: Arnold and Kadjan
19 West Jackson Boulevard, Suite 300
Chicago, Illinois 60604
Attention: John F. Etzkorn, Esq.

or in such other manner or to such other address, as such party shall designate in a written notice to the other party hereto.

3. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Agreement contained by or on behalf of Pledgor, or by or on behalf of Pledgee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

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4. This Agreement may be amended, modified, supplemented, changed, waived, discharged or terminated only by an instrument in writing signed by both Pledgor and Pledgee.

5. This Agreement shall be governed by and construed under the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

LUMBER STREET SUPPLY CO., an
Illinois corporation

By: Joseph A. Feldner
Name: Joseph A. Feldner
Title: President

ACCEPTED as of the 19th day of
April, 2006.

MCNULTY BROS. COMPANY, an
Illinois corporation

By: Joseph A. Feldner
Name: Joseph A. Feldner
Title: President

Property of Cook County Clerk's Office

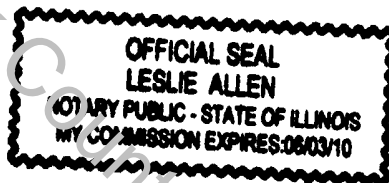
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STATE OF ILLINOIS)
)
 COUNTY OF C O O K) SS

I, Leslie Allen, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH A. FELDNER, personally known to me to be the President of LUMBER STREET SUPPLY CO., an Illinois corporation, whose name is subscribed to the within instrument, appeared before me this day in person and acknowledged that as such President of such corporation, he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth and pursuant to such corporation's authority.

GIVEN under my hand and notarial seal this 12th day of July, 2006.

Leslie Allen
 Notary Public



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STATE OF ILLINOIS)
)
 COUNTY OF C O O K) SS

I, Leslie Allen, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH A. FELDNER, personally known to me to be the President of McNULTY BROS. COMPANY, an Illinois corporation, whose name is subscribed to the within instrument, appeared before me this day in person and acknowledged that as such President of such corporation, he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth and pursuant to such corporation's authority.

GIVEN under my hand and notarial seal this 12th day of July, 2006.

Leslie Allen
 Notary Public



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PARCEL 1:

ALL THAT PART LYING WEST OF CANAL STREET EXTENDED OF LOTS 3 AND 4 OF BLOCK 35 IN THE CANAL TRUSTEES' SUBDIVISION OF THE WEST 1/2 AND THAT PART OF THE SOUTH EAST 1/4 LYING WEST OF THE SOUTH BRANCH OF THE CHICAGO RIVER, ALL IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

PARCEL 2:

LOT 5 IN BLOCK 35 IN THE CANAL TRUSTEES SUBDIVISION OF THE WEST 1/2 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND SO MUCH OF THE SOUTH EAST 1/4 AS LIES WEST OF THE SOUTH BRANCH OF THE CHICAGO RIVER (EXCEPT THE FOLLOWING, TO WIT: THAT STRIP OR PART OF LOT 5, AFORESAID, LYING SOUTH EASTERLY OF A LINE DRAWN FROM AND BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 5, 194.95 FEET SOUTH EASTERLY OF AND DISTANT FROM THE NORTH WEST CORNER OF SAID LOT 5, MEASURED ALONG SAID SOUTH WESTERLY LINE, RUNNING THENCE NORTH EASTERLY TO A POINT ON THE NORTH EASTERLY LINE OF SAID LOT 5, 169.38 FEET SOUTH EASTERLY OF AND DISTANT FROM THE NORTH EAST CORNER OF SAID LOT 5, MEASURED ALONG SAID NORTH EASTERLY LINE);

PARCEL 3:

ORIGINAL LOTS 6 AND 7 AND THE NORTHERLY ONE FOOT OF ORIGINAL LOT 8 (EXCEPT THAT PART CONVEYED TO THE SANITARY DISTRICT OF CHICAGO BY DEED RECORDED JULY 10, 1902 AS DOCUMENT 3268497) AND ORIGINAL LOT 8 (EXCEPT THE NORTH 1 FOOT THEREOF CONVEYED BY THOMAS STINSON AND WIFE TO BENJAMIN W. THOMAS BY DEED DATED JUNE 27, 1853 AND RECORDED JANUARY 9, 1854 IN BOOK 72, PAGE 205, ALSO EXCEPT THAT PORTION THEREOF CONVEYED TO SANITARY DISTRICT OF CHICAGO BY DEED DATED MAY 27, 1902 AND RECORDED JUNE 12, 1902 AS DOCUMENT 3258001 IN BOOK 790, PAGE 168) ALL OF THE LOTS AFORESAID BEING IN BLOCK 35 IN THE CANAL TRUSTEES' SUBDIVISION OF THE WEST 1/2 AND THAT PART OF THE SOUTH EAST 1/4 LYING WEST OF THE SOUTH BRANCH OF THE CHICAGO RIVER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS