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SUBORDINATION AGREEMENT



Doc#: 1107644047 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/17/2011 11:42 AM Pg: 1 of 10

Property of Cook County Clerk's Office

THIS SUBORDINATION AGREEMENT (the "Subordination Agreement") is entered into this 11th day of March, 2011 (the "Effective Date"), by and between C&R Scrap Iron & Metal, LLC (the "Junior Lender"), Belmont Bank and Trust Company (the "Senior Lender"), and Chicago Film Studios Industrial Real Estate Holdings, LLC (the "Borrower").

RECITALS

A. Simultaneous with the execution of this Subordination Agreement, Senior Lender shall make a loan to Borrower in the principal amount of Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) as evidenced by that certain Promissory Note dated March 11, 2011 (the "Senior Note") and secured by that certain Mortgage, dated March 11, 2011, and recorded 3-17-11 Doc# 1107644043 (the "Senior Mortgage") (all obligations of Borrower to Senior Lender under the Senior Note and Senior Mortgage are hereinafter referred to as the "Senior Liabilities"), which encumbers the property located at 2558 West 16th Street and a non-contiguous parking lot on the southwest corner of 16th street and Rockwell Street, Chicago, Illinois, 60618, all as further described in the attached Exhibit A (the "Property").

B. Simultaneous with the execution of this Subordination Agreement, Junior Lender shall make a loan to Borrower in the principal amount of Four Hundred Thousand and 00/100 Dollars (\$400,000.00) as

THIS DOCUMENT PREPARED BY AND AFTER
RECORDING, MAIL TO:

Belmont Bank and Trust
8250 West Belmont Avenue
Chicago, IL 60634
Attn: Robert Sztremecr

PROPERTY ADDRESS:

2558 West 16th Street & non-contiguous
parking lot on the southwest corner of
16th street and Rockwell Street, Chicago,
Illinois, 60618

P.I.N.s: See attached legal description.

Stewart
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all

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evidenced by that certain Note dated March 11, 2011 (“**Junior Note**”), and secured by that certain Mortgage encumbering the Property, dated March 11, 2011, and recorded 3-17-11 Doc# 1107644047 (the “**Junior Mortgage**”) (all obligations of Borrower to Junior Lender under the Junior Note and Junior Mortgage are hereinafter referred to as the “**Junior Liabilities**”).

C. As a condition of the Senior Lender’s loan to the Borrower, Senior Lender is requiring Junior Lender to subordinate and Junior Lender now desires to so subordinate the Junior Liabilities to the Senior Liabilities.

NOW, THEREFORE, in consideration of good and valuable consideration to the Junior Lender, the receipt and sufficiency of which are hereby acknowledged, Junior Lender, Senior Lender, and Borrower hereby agree as follows:

1. Subordination of Lien. Junior Lender hereby agrees that the Junior Liabilities as secured by the Junior Mortgage are and shall be subordinate to the Senior Liabilities as secured by the Senior Mortgage and that the liens and security interests created under the Junior Mortgage which pertain to the Property shall be subordinate to the liens and security interests created under the Senior Mortgage pursuant to the terms thereof.

2. Waiver by Junior Lender. Junior Lender hereby waives (a) notice of the existence, creation or nonpayment of all or any of the Senior Liabilities; and (b) all diligence in collection, protection of or realization upon the Senior Liabilities or any security therefor.

3. Covenants of Junior Lender. Junior Lender shall not, without the prior written consent of Senior Lender: (a) modify, amend or consent to any modification or amendment of any document evidencing or securing the Junior Liabilities as they relate to the Property; (b) commence, or join with any other creditor in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to Borrower; (c) seek to appoint a receiver for (i) the Property, (ii) any part thereof, or (iii) Borrower, or seek to obtain possession of the Property, or seek any accounting from Senior Lender in respect to the proceeds of the Property; or (d) take any action affecting any lease of the Property in which Senior Lender claims a security interest (including without limitation any action to subordinate any such lease to the Junior Lender’s loan documents, or any of them).

4. Bankruptcy of Borrower. In the event of any dissolution, winding-up, liquidation, readjustment, reorganization or other similar proceedings relating to the Property (whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership or upon an assignment to benefit creditors, or any other marshalling of the assets and liabilities of Borrower, or any sale of all or substantially all of the assets of Borrower, or otherwise), the Senior Liabilities shall first be paid in full before Junior Lender shall be entitled to receive and to retain any payment or distribution with respect to the Junior Liabilities as they relate to the Property.

5. Notices of Default. Junior Lender hereby agrees to give Senior Lender at the Senior Lender’s address of 8250 West Belmont Avenue, Chicago, IL 60634 (or such other address provided by Senior Lender to Junior Lender in writing at a later date), contemporaneously with the giving thereof to the Borrower, copies of any notices given to Borrower regarding any default under any document evidencing or securing the Junior Liabilities or which notice would, following the passage of time and failure to cure, result in the occurrence of a “default” or “event of default” under such documents. Junior Lender hereby agrees that the Junior Liabilities shall not be accelerated, nor shall any remedies be pursued thereunder unless (a) in the case of default in the payment of a sum of money due thereunder and after expiration of all applicable grace periods, Senior Lender shall have been given written notice of such failure and Senior Lender shall have failed to pay or cause to be

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paid such sum of money within thirty (30) days following such written notice; or (b) in the case of any other default of any Junior Liabilities, Senior Lender shall fail to cure or cause to be cured such default within the period which is thirty (30) days beyond the longest of the applicable cure period provided to Borrower to cure such default.

6. Consent to Easements and Plats of Subdivision. In the event Borrower requests that Senior Lender and all other mortgagees or trustees under trust deeds of record execute any easements or plats of subdivision or similar documents in connection with the construction, development, operation or maintenance of the Property, and Senior Lender executes the same, Junior Lender agrees to execute such documents and instruments as its interests appear.

7. Acquisition of Fee Title by Senior Lender. Junior Lender hereby agrees that an acquisition of fee title to the Property by Senior Lender, its nominee, or any other person or entity through a foreclosure of the Senior Mortgage (where such foreclosure does not extinguish the security interests created by the Junior Mortgage) or through a deed in lieu of foreclosure is not a "sale or disposition" and will not constitute an event of default under the Junior Note or Junior Mortgage. Further, Junior Lender hereby (a) covenants, acknowledges and agrees that, should Senior Lender take title to the Property by deed in lieu of foreclosure after a Borrower default, Junior Lender will release the Junior Mortgage within ten (10) days of Senior Lender's written request that Junior Lender so release its lien, which notice shall be delivered to Junior Lender at the following address: 325 - A Factory Road, Addison, IL 60101; and (b) acknowledges that upon such release of the Junior Mortgage it shall have no interest in the Property and that Senior Lender shall have the right to dispose of the Property in its sole discretion and without obligation towards or liability to the Junior Lender.

8. Permitted Actions by Senior Lender. Senior Lender may, from time to time, in its sole discretion and without notice to Junior Lender, take any or all of the following actions: (a) extend or renew for one or more periods of time (whether or not longer than the original period), alter or modify any of the Senior Liabilities, or release or compromise any obligation of any nature of any obligor with respect to any of the Senior Liabilities; and (b) release its security interest, or surrender, release or permit any substitution or exchange for all or any part of the Property securing any of the Senior Liabilities, or extend or renew for one or more periods of time (whether or not longer than the original period) or release, compromise, alter or modify any obligation of any nature of any obligor with respect to any such Property; and (c) take title to the Property by deed in lieu of foreclosure and sell or otherwise transfer the Property.

9. Successors and Assigns. This Agreement shall be binding upon Junior Lender and its respective successors and assigns, whether immediate or remote.

10. No Waiver by Senior Lender. Senior Lender shall not be prejudiced in its rights under this Agreement by any act or failure to act by Borrower or Junior Lender, or any non-compliance of Borrower or Junior Lender with any agreement or obligation, regardless of any knowledge thereof which Senior Lender may have or with which Senior Lender may be charged; and no action of Senior Lender permitted hereunder shall in any way affect or impair the rights of Senior Lender or the obligations of Subordinated Lender under this Agreement. No delay in the part of Senior Lender in the exercise of any rights or remedies shall operate as a waiver thereof, and no single or partial exercise by Senior Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon Senior Lender except as expressly set forth in a writing duly signed and delivered on behalf of Senior Lender.

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11. Construction and Interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

12. Termination. This Agreement shall terminate upon full and final payment of any and all amounts due under the Senior Liabilities provided that all rights of Junior Lender hereunder shall automatically terminate at such time as the Junior Liabilities have been paid in full.

*[Balance of Page Intentionally Blank --
Signature Page Follows]*

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IN WITNESS WHEREOF, this Subordination Agreement has been executed and delivered as of the day and year first above written.

JUNIOR LENDER:

C&R SCRAP IRON & METAL, LLC,
an Illinois Limited Liability Company

By: 

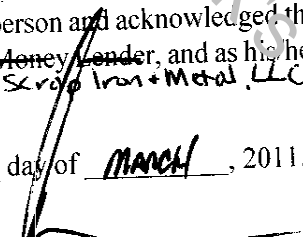
Name: Ronald Nisson

Its: Member

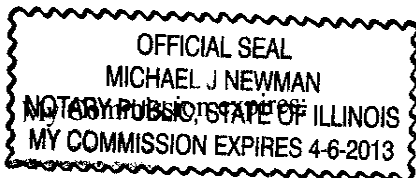
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Michael J. Newman, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Ronald Nisson, personally known to me to be the Member of ~~Hard Money Lender~~, C&R Scrap Iron & Metal, LLC an Illinois Limited Liability Company, and the same person, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as the Member of ~~Hard Money Lender~~, and as his/her free and voluntary act, for the uses and purposes therein set forth.
C&R Scrap Iron & Metal, LLC

Given under my hand and notarial seal this 11 day of MARCH, 2011.



Notary Public



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IN WITNESS WHEREOF, this Subordination Agreement has been executed and delivered as of the day and year first above written.

SENIOR LENDER:

BELMONT BANK AND TRUST COMPANY

By: _____

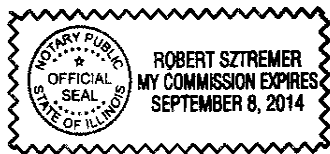
Name: JOSE O. TORRES

Its: SVP

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, ROBERT SZTREMER, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that JOSE TORRES, personally known to me to be the SVP of Belmont Bank and Trust Company, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as the SVP of Belmont Bank and Trust Company, and as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 11 day of MARCH, 2011



[Signature]
Notary Public

My Commission expires:

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CONSENT AND AGREEMENT OF BORROWER

Borrower hereby acknowledges the terms of and consents to the foregoing Subordination Agreement and agrees for itself and its respective successors and assigns, for the benefit of Senior Lender, its successors and assigns, that (i) said Subordination Agreement does not constitute a waiver or partial waiver by Senior Lender of any of its rights under the Senior Note or Senior Mortgage, or in any way release Borrower from his obligations to comply with the terms and conditions contained in the Senior Note and Senior Mortgage (including without limitation the obligation to refrain from any further encumbering of the Property without the prior written consent of Senior Lender); and (ii) Borrower will not take any action contrary to or inconsistent with said Subordination Agreement.

BORROWER:

CHICAGO FILM STUDIOS INDUSTRIAL REAL ESTATE HOLDINGS, LLC

By: [Signature]

Name: Nicholas Pissios

Its: President

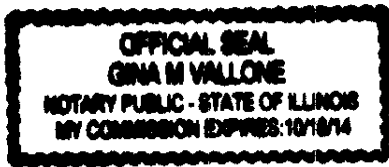
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Gina Vallone, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Nicholas Pissios, personally known to me to be the President of Chicago Film Studios Industrial Real Estate Holdings, LLC, an Illinois limited liability company, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument personally, and as the President of Chicago Film Studios Industrial Real Estate Holdings, LLC, and as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 11th day of March, 2011.

[Signature]
Notary Public

My Commission expires:



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EXHIBIT A

Legal Description

PARCEL E:

Tract 1:

Lots 1 and 2 in Ryerson's resubdivision of Lots 17 and 18 of Ogden's Subdivision of the East half of the Northeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Tract 2:

Parts of Sub-Lots 2, 3 and 6 in Block 10 in the subdivision of Lots 2, 3, 5 to 8 and 13 to 16, all inclusive of Ogden's Subdivision of the East half of the Northeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, and being further described as follows, to wit: beginning at the Northeast corner of said Sub-Lot 2 in the South line of 15th Street; thence Westwardly along said South line, 55.6 feet to a corner; thence Southwardly parallel with the East line of said Sub-Lots, 143 feet to a point 1 foot North of the South line of said Sub-Lot 6; thence Northwardly by a curve convex to the East having a radius of 441.88 feet for a distance of 154.21 feet to the place of beginning, in Cook County, Illinois.

Tract 3:

Sub-Lots 2, 3 and 6 in Block 10 in the subdivision of Lots 2, 3, 5 to 8 and 13 to 16, all inclusive of Ogden's Subdivision of the East half of the Northeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, except that part of said Sub-Lots described as follows, to wit: beginning at the Northeast corner of said Sub-Lot 2 in the South line of 15th Street; thence Westwardly along said South line, 55.6 feet to a corner; thence Southwardly parallel with the East line of said Sub-Lots, 143 feet to a point 1 foot North of the South line of said Sub-Lot 6; thence Northwardly by a curve convex to the East having a radius of 441.88 feet for a distance of 154.21 feet to the place of beginning, in Cook County, Illinois.

Tract 4:

The West 12.4 feet of Sub-Lots 1, 4 and 5, part of the West 12.4 feet of Sub-Lot 3 in Block 10 of Ogden's Subdivision of the East half of the Northeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Tract 5:

Sub-Lot 7, 10, 11, 14, 15, 18, 19, 22 and 23 in Block 10 in the Subdivision of Lots 2, 3, 5 to 8 and 13 to 16, all inclusive of Ogden's Subdivision of the East half of the Northeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, together with that part of Lots 8, 9, 12, 13, 16, 17, 20, 21 and 24 in Block 10 falling in the following described property: beginning where the North line of West 16th Street meets the West line of the East 55.6 feet of Lot 23 in said Block 10; thence due North 435 feet to a point; thence due East 81.5

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feet to a point; thence due South 434.31 feet to a point in said Northerly line of West 16th Street in the Southerly line of Lot 24; thence South 89 degrees 52 minutes West along said North line of West 16th Street being along said Southerly line of Lots 24 and 23 in said Block 10, 81.5 feet to the place of beginning.

Parcel E-1

Non-exclusive easement for driveway purposes for the benefit of Parcel E, Tract 5, as described in Deed recorded May 1, 1947 as Document Number 14046992.

Parcel E-2:

Non-exclusive easement for driveway purposes for the benefit of Parcel E, Tract 5, as described in Deed recorded October 19, 1949 as Document Number 14656048.

Parcel J:

Tract 1:

Lots 1 through 10, inclusive, in Kerr and Crowley's Subdivision of Lots 1, 2, 3, 4, 47, 48, 49 and 50 in the Subdivision of Block 3 of Walker's Douglas Park Addition, a subdivision of the East three-quarters of the Southeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Tract 2:

Lots 5 through 17, and Lots 26 through 46, inclusive, all in Block 3 OF Walker's Douglas Park Addition, a subdivision of the East three-quarters of the Southeast Quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Together with all interest, if any, of Grantor in and to the land lying within (1) that part of vacated Rockwell Street lying south of the south right of way line of 16th Street and north of the extended centerline of vacated 17th Street, from the west right of way line of vacated Rockwell Street to the centerline thereof, (2) that part of vacated 17th Street lying east of the right of way line of Washtenaw Avenue and west of the extended centerline of vacated Rockwell Street, from the north right of way line of vacated 17th Street to the centerline thereof and (3) the vacated alley lying in the interior of Parcel J, from the east right of way line of Washtenaw Avenue to the west right of way line of vacated Rockwell Street.

Permanent Index Number(s): 16-24-223-001, 16-24-223-002, 16-24-223-006, 16-24-223-004, 16-24-402-010, 16-24-402-009, 16-24-402-008, 16-24-

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402-007, 16-24-402-006, 16-24-402-005, 16-24-402-004, 16-24-402-003, 16-24-402-002, 16-24-402-001, 16-24-402-047, 16-24-402-025, and 16-24-402-048

Common Address:

2521-59 W. 15th Street; 2555-29 W. 15th Street, 2518 W. 16th Street; and 2548 W. 16th Street, Chicago, Illinois

Property of Cook County Clerk's Office