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RECORDATION REQUEST BY:

Gregg G. Rotter, Esq.
Rotter & Associates, Ltd.,
2 North LaSalle Street
Suite 1200
Chicago, Illinois 60602



AFTER RECORDING RETURN TO:

Ridgestone Bank
13925 W. North Ave.,
Brookfield, WI 53005
ATTN: SBA Loan Operations

Doc#: 1411416052 Fee: \$54.00
RHSP Fee:\$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 04/24/2014 12:32 PM Pg: 1 of 9

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

SUBORDINATION AGREEMENT - LEASE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION OF LEASE AGREEMENT dated as of March 4, 2014 is entered into between DKDJ, LLC, an Illinois Limited Liability Company ("Borrower") and Yonan Floor Coverings, Inc., an Illinois Corporation ("Lessee"), and Ridgestone Bank ("Lender").

LEASE, Lessee has executed one or more leases dated February 28, 2014 of the following described property (the "Subordinated Lease") which lease was recorded in Cook County, Illinois as follows:

MEMORANDUM OF LEASE RECORDED CONCURRENTLY HEREWITH.

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property (the "Real Property") located in Cook County, Illinois. See Exhibit "A" attached hereto and incorporated herein by reference.

The Real Property or its address is commonly known as 1400-1440 Hicks Road, Rolling Meadows, IL 60008.

The Tax Parcel Number for the Real Property is: 02-26-²⁰⁰~~299~~-022-0000

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower and Lessee each want Lender to provide financial accommodations to Borrower (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (c) other benefits to Borrower. Now, therefore, Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower and Borrower and Lessee acknowledges receipt of valuable consideration for entering into this Agreement.

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LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage, deed of trust or other lien on the Real Property ("Lender's Lien") be and remain superior to Lessee's interest in the Subordinated Lease.

NOW, THEREFORE, THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title and interest in and to the Subordinated Lease and the Real Property is hereby subordinated in all respects to Lender's Lien and the Superior indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all time, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

LESSEE'S REPRESENTATIVES AND WARRANTIES. Lessee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Lessee, which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Borrower's request and not at the request of Lender; (c) Lender has made no representation to Lessee as to the creditworthiness of Borrower; and (d) Lessee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Lessee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Lessee's risks under this Agreement and Lessee further agrees that Lender shall have no obligations to disclose to Lessee information or material acquired by Lender in the course of its relationship with Borrower.

LESSEE'S WAIVERS. Lessee waives any right to require Lender: (a) to make, extend, renew or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including Borrower; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to pursue any other remedy within Lender's power; or (f) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Lessee, (a) make on or more additional secured or unsecured loans to Borrower; (b) repeatedly alter, compromise, renew, extend, accelerate or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness and exchange, enforce, waive and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue or deal with any one or more of Borrower's sureties, endorsers or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

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Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Lessee and Borrower agree upon Lender's request to submit to the jurisdiction of the Courts of Cook County, Illinois. Lender, Lessee and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender, Lessee or Borrower against the other. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Borrower or to Lessee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Borrower and Lessee.

Attorneys' Fees; Expenses. Lessee and Borrower agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement and Lessee and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Lessee and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement and the covenants of Borrower and Lessee herein in favor of Lender shall extend to, include and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Lessee shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SBA Mandatory Provision. The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.

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- b) Secured Party or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Debtor or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Debtor, or defeat any claim of SBA with respect to the Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION AGREEMENT-LEASE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

DKDJ, LLC, an Illinois Limited Liability Company

BY: 

David E. Yonan, Manager

LESSEE:

Yonan Floor Coverings, Inc., an Illinois Corporation

BY: 

David E. Yonan, President and Secretary

LENDER:

Ridgestone Bank

By: _____

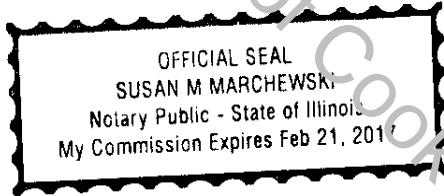
Authorized Signatory

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STATE OF ILLINOIS)
COUNTY OF COOK) SS
)

I, SUSAN M. MARCHEWSKI, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on MARCH 4, 2014, personally appeared before me, David E. Yonan, Manager of DKDJ, LLC, an Illinois Limited Liability Company, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he signed, sealed, and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said entity for the uses and purposes therein set forth.

(SEAL)



Susan M. Marchewski
Notary Public

Cook County Clerk's Office

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STATE OF ILLINOIS)
COUNTY OF COOK) SS
)

I, SUSAN M. MARCHEWSKI, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on MARCH 4, 2014, personally appeared before me, David E. Yonan, President and Secretary of Yonan Floor Coverings, Inc., an Illinois Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he signed, sealed, and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said entity for the uses and purposes therein set forth.

Susan M. Marchewski
Notary Public

(SEAL)



Notary of Cook County Clerk's Office

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STATE OF _____)
 COUNTY OF _____) SS

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on _____, 2014, personally appeared before me, _____, _____ for Ridgestone Bank, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he / she signed, sealed, and delivered the said instrument as his / her free and voluntary act and as the free and voluntary act of said entity for the uses and purposes therein set forth.

 Notary Public

(SEAL)

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EXHIBIT A

LEGAL DESCRIPTION

COMMON ADDRESS: 1400-1440 Hicks Road, Rolling Meadows, IL 60008

PIN 02-26-²⁰⁰~~299~~-022-0000

LEGAL DESCRIPTION:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

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STREET ADDRESS: 1400-1440 HICKS ROAD

CITY: ROLLING MEADOWS

COUNTY: COOK

ZIP: 60008

TAX NUMBER: 02-26-200-022-0000

LEGAL DESCRIPTION:

LOT 1 (EXCEPT THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 1, THENCE SOUTH ALONG THE WEST LINE THEREOF, A DISTANCE OF 10.0 FEET; THENCE NORTHEAST ON A STRAIGHT LINE 13.44 FEET TO A POINT ON THE NORTH LINE OF LOT 1 AFORESAID, 9.0 FEET EAST OF SAID NORTHWEST CORNER; THENCE WEST ALONG SAID NORTH LINE A DISTANCE OF 9.0 FEET TO THE POINT OF BEGINNING) AND THE WEST HALF OF LOT 2 IN NORTHWESTERN INDUSTRIAL PARK UNIT NO. ONE, BEING A SUBDIVISION OF THE NORTH 480.0 FEET OF THAT PART OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF SAID NORTHEAST QUARTER OF SECTION 26 TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS. ON MAY 14, 1958, AS DOCUMENT NO. LR1795857, IN COOK COUNTY, ILLINOIS.

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