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(4) 90-00014 90320528

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CHEMICAL BANK, as Collateral Agent

DEPT-01 RECORDING

\$96.00

T#4444 TRAN 5437 07/05/90 11:26:00

and

#5016 # D *-90-320528

COOK COUNTY RECORDER

SOVRAN BANK/CENTRAL SOUTH, as Trustee

INTERCREDITOR AGREEMENT

Dated: June 28, 1990

Location: 15770 La Grange Road
Orland Park, Illinois

County: Cook

Permanent Tax No.: 27-16-403-006; Vol. 146

THIS INSTRUMENT PREPARED BY AND UPON
RECORDATION RETURN TO:

Messrs. Thacher Proffitt & Wood
2 World Trade Center

New York, New York 10048

Attention: Lawrence A. Swenson, Esq.

File No.: 16018-0281

Title No.: NYC-90-10021 issued by Lawyers Title
Insurance Corporation /90-00014

MAILED 8/1/90
LAWYERS TITLE INSURANCE
CORP.
708 THIRD AVE. AT 44th ST.
24th Floor
NEW YORK, NEW YORK
10017

BOX 334

96.00

CASE NO. 90-00014 BE 0175

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THIS AGREEMENT is made as of the 28th day of June, 1990, by and among SOVRAN BANK/CENTRAL SOUTH (the "First Mortgagee"), a Tennessee corporation having an office at One Commerce Place, Nashville, Tennessee 37219, Attention: Corporate Trust Department, as trustee for the noteholders under a certain Trust Indenture dated the date hereof (the "Indenture") and CHEMICAL BANK, a New York banking corporation having an office at 277 Park Avenue, New York, New York 10172, acting as collateral agent for the Banks, as defined in the Credit Agreement, (collectively, the "Second Mortgagee"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in Article 1.

W I T N E S S E T H:

WHEREAS, the First Mortgagee is the named mortgagee under the First Mortgage Loan Documents and the Second Mortgagee is the named mortgagee under the Second Mortgage Security Documents,

WHEREAS, the First Mortgage encumbers, among other things, the fee and leasehold interests of Service Merchandise Company, Inc. (the "Company") and its subsidiary, H.J. Wilson Co., Inc. (the "Subsidiary Guarantor"), in the Parcels,

WHEREAS, the Second Mortgage encumbers, among other things, the fee and leasehold interests of the Company or the Subsidiary Guarantor in certain of the Parcels, together with other fee and leasehold interests of the Company and its subsidiaries in other parcels of land,

WHEREAS, First Mortgagee made the First Mortgage Loan on the condition that the Second Mortgagee subordinate the lien and security interest of the Second Mortgage and lien and security interest of the Second Mortgage Security Documents to the First Mortgage and the First Mortgage Loan Documents in the manner hereinafter set forth,

NOW THEREFOR, in consideration of the making of the First Mortgage Loan and the Second Mortgage Loan and other good and valuable consideration, receipt of which is hereby acknowledged, the Second Mortgagee and the First Mortgagee covenant and agree as follows:

ARTICLE ONE - DEFINITIONS

For the purposes of this Agreement the following terms and phrases shall have the following meanings:

"Accelerated" means (A) with respect to any indebtedness, including the Second Mortgage Loan, the (i) declaration that any of such indebtedness is immediately due and

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