

BOX 33348 D.P. 2 TEL R

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This document is being re-recorded to correct a typographical error contained in the legal description attached as Exhibit A by changing the reference in the third line of the legal description to the correct reference of Block 59.

WHEREAS, Seller has previously sold certain assets of its E.W. Kneip Division to Borrower pursuant to the terms of the Asset Purchase and Sale Agreement dated February 29, 1988 between Borrower and Seller (the "Purchase Agreement") and, in connection therewith, Borrower incurred certain indebtedness to Seller in the original principal amount of \$1,500,000 and executed a promissory note of even date therewith in such principal amount to evidence such indebtedness (the "Seller Note");

WHEREAS, pursuant to the loan agreement, the Borrower is simultaneously herewith entering into certain loan documents and assigning and granting first security interests and first liens to the Bank in certain collateral and other security to secure the loans and all obligations of the Borrower to the Bank, including, without limitation, a mortgage and an assignment of rents covering certain real property owned by Borrower legally described in Exhibit A attached hereto and any rents or leases with respect thereto (collectively, the "Mortgaged Property"), the collateral assignment of intellectual property covering the intellectual property owned by Borrower, the collateral assignment of Key Man Life Insurance Policy covering certain life insurance policies and the collateral assignment of Swift-Eckrich Custom Packer Agreement covering the Custom Packer Agreement (all of the collateral and other property securing the loans pursuant to the foregoing loan documents from the Borrower is hereinafter collectively referred to as the "Bank Security");

WHEREAS, E.W. Kneip Company, an Illinois corporation (the "Borrower"), and the Bank are simultaneously herewith entering into a Loan and Security Agreement of even date herewith (together with all exhibits and any and all other and further amendments thereto and all extensions, modifications, renewals, restatements and substitutions thereof or therefor, collectively, the "Loan Agreement", with all defined terms used but not otherwise defined herein being used with the same meanings as therein defined), and the Bank has agreed to make certain loans to the Borrower in accordance with the terms of the Loan Agreement, a condition of which is execution by Seller of this Agreement;

WITNESSETH:

This Intercreditor and Subordination Agreement (this "Agreement"), dated as of September 17, 1990, is entered into by and between Swift-Eckrich, Inc. ("Seller"), and the Bank One, Milwaukee, National Association (the "Bank").

INTERCREDITOR AND SUBORDINATION AGREEMENT

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WHEREAS, concurrently with closing under the Purchase Agreement, Borrower entered into a loan agreement (the "Prior Loan Agreement") with Marine Bank, Chicago ("Marine") pursuant to which Marine lent funds to Borrower and Borrower granted security interests to Marine in various real and personal property substantially coextensive with the Bank Security;

WHEREAS, pursuant to the Purchase Agreement, the Borrower entered into a Security Agreement and Mortgage with Seller (collectively, the "Seller Security Documents"), and assigned and granted security interests and liens thereunder, which were second to Marine, in certain of the Bank Security to secure the Seller Note and any indebtedness of Borrower under the aforesaid Custom Packer Agreement to set forth their respective rights and understandings with respect thereto; and

WHEREAS, the current principal amount owing under the Seller Note as of August 24, 1990 was \$1,948,719.42; and

WHEREAS, the Bank proposes to loan funds to Borrower which Borrower will use, among other purposes, to pay off all amounts owing to Marine, and the Bank has conditioned the loan of such funds upon Seller's agreeing to subordinate its position to Bank substantially as Seller has previously subordinated its position to Bank and Seller wish to subordinate the Seller Security Documents and any liens and security interests of the Seller in the Bank Security to the Loan Documents and the Bank's liens and security interests in the Bank Security and to set forth their respective rights and understandings with respect thereto;

NOW, THEREFORE, in consideration of the foregoing premises, Seller hereby covenants and agrees with the Bank as follows:

1. Definitions of Seller and Bank Debt. All Obligations of the Borrower to the Bank (including, but not limited to, all Obligations of the Borrower to the Bank arising under the Loan Agreement, the Promissory Note in the face amount of \$2,250,000 (evidencing a revolving credit line obligation), Installment Note B in the face amount of \$640,000, Installment Note C in the face amount of \$1,360,000 (collectively, the "Notes"), the Mortgage, and Loan Documents) are hereinafter called "Total Bank Debt". The "Base Debt" hereunder shall mean (i) that portion of Total Bank Debt, the principal amount of which shall not exceed Four Million Two Hundred Fifty Thousand Dollars (\$4,250,000), being the aggregate face amount of the Notes, less principal payments made from time to time on Installment Note B and Installment Note C, plus (ii) any and all costs and expenses of enforcement or collection related to the Base Debt and any and all interest accruing on any of the Base Debt, including interest accruing thereafter after the commencement of any proceedings (as hereinafter defined) notwithstanding any provision or rule of law which might restrict the rights of the Bank, as against Borrower or anyone else, to collect such interest. All

3. Application of Payments. All proceeds, payments and distributions received by the Bank in respect of the Bank Security (whether from Seller or otherwise) may be applied by the Bank first to the payment of any and all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in enforcing the Loan Documents or in endeavoring to collect or realize upon any of the Bank Security and any balance thereof, shall be applied by the

2. Subordination. Seller hereby agrees not to contest the validity, attachment, perfection, priority or enforceability of Bank's liens or security interests in the Bank Security. Notwithstanding (i) the existence, time or order of any attachment or perfection of any security interest or lien of the parties hereto or of the filing or recording or any financing statement, mortgage, or collateral assignment therefor, (ii) any other priority provided by law, agreement or possession, (iii) any assignment for the benefit of creditors or any dissolution, reorganization, winding up, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings (collectively, "Proceedings") instituted by or against Borrower or any of its properties, the priorities of the parties hereto as to the Bank Security shall be that the Bank shall, at all times, be deemed to have a first priority and perfected security interest, lien or mortgage and any security interest, lien or mortgage therein of the Seller shall be second, junior and subordinate thereto. Without limiting the generality of the prior two sentences, but subject to the other terms and conditions of this Agreement, Seller acknowledges and agrees that the Bank's lien, security interest and position with respect of the Bank Security, including the mortgaged property, shall be prior to that of Seller under that certain Mortgage dated February 29, 1988 and recorded as Document No. 88087558 with the Cook County, Illinois Recorder of Deeds securing the Seller's Note and security interests disclosed by financing statements filed as No. 2394888 with the Illinois Secretary of State and as No 88U05184 with the Cook County, Illinois Recorder of Deeds executed by Borrower, as Debtor, in favor of Seller, as Secured Party. The payment of Seller Debt from the Bank Security shall be subordinated and junior to the payment in full of all Base Debt, and no payments or other distributions from the Bank Security in respect of the Seller Debt shall be made; provided, however, that notwithstanding anything contained herein to the contrary, on and after February 28, 1994, the Seller may receive cash payments from the Borrower on the Seller Debt. In the event that Seller receives any payments or distribution on the Seller Debt from the Bank Security (other than as permitted above), such payments or distributions shall be received in trust for the Bank and promptly turned over by Seller to the Bank for application by the Bank as set forth below.

indebtedness of the Borrower to Seller under the Seller Note or otherwise now or hereafter existing is hereinafter called "Seller Debt".

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Bank, in such order of application as the Bank may from time to time select, toward the payment of the Base Debt remaining unpaid.

4. Waiver. Seller hereby waives: (a) notice of the existence, creation, amendment or non-payment of all or any of the Total Bank Debt; (b) all diligence in collection or protection of or realization upon the Total Bank Debt or any security therefor; (c) all rights to require Bank to marshal assets or other security for the Obligations prior to foreclosing or realizing on the Bank Security; (d) all rights, if any, to require Bank to share with Seller any proceeds of Bank Security up to the amount of the Base Debt; and (e) any liability of or rights against Bank for any loss (other than loss from Bank's gross negligence or willful misconduct) arising out of Bank's care, custody or disposition of any Bank Security.

5. Continuing Agreement. This Agreement shall in all respects be a continuing agreement and all of the respective agreements and obligations of Seller and Bank under this Agreement shall remain in full force and effect until the earlier of the date on which (i) all Base Debt (including any extensions or renewals thereof, subject to Paragraphs 1 and 2 above and all related interest and expenses) shall have been paid in full and the Bank shall no longer have any commitment to make any of the Loans under the Loan Agreement or (ii) the payment of the Seller Debt in full, at which time this Agreement shall terminate.

6. Rights of Bank and Seller. Nothing in this Agreement shall prohibit Seller's right to collect the Seller Debt when due or to foreclose or realize on the Seller Security Documents or any collateral or other security thereunder when the Seller Debt is due. The Bank may, from time to time, whether before or after any discontinuance of this Agreement, at its sole discretion and without notice to Seller, take any or all of the following actions: (a) retain or obtain a security interest or lien in any property of the Borrower or any other property or assets to secure any of the Total Bank Debt, (b) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to any of the Total Bank Debt, (c) extend or renew for one or more periods (whether or not longer than the original period), alter, amend or exchange any of the Total Bank Debt, or release or compromise any obligations of any nature of any obligor with respect to any such property; provided, however, that, notwithstanding the foregoing, with respect to any Bank Security also securing the Seller Debt under the Seller Security Documents, the Bank's security interest or lien shall not secure more than the Base Debt. The Bank shall

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9. Governing Law and Severability. This Agreement shall be construed in accordance with and governed by the Laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable laws, but if any provision of this Agreement shall be prohibited by or invalid under such laws, such provision shall

8. Successors. This Agreement shall be binding upon Seller and upon the heirs, legal representatives, successors and assigns thereof and shall inure to the benefit of the Bank. All reference herein to Borrower or Seller, respectively, shall be deemed to include any successor or successors, whether immediate or remote, thereto.

7. Assignment by Bank. The Bank may, from time to time, whether before or after any discontinuance of this Agreement, without notice to Seller, assign or transfer any or all of the Base Debt or any interest therein; and, notwithstanding any such assignment or transfer thereof, such Base Debt shall be and remain Base Debt for the purposes of this Agreement, and every immediate and successive assignee or transferee of any of the Base Debt or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Base Debt, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were the Bank; provided, however, that, unless the Bank shall otherwise consent in writing, the Bank shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Agreement, for the benefit of the Bank, as to the Base Debt which the Bank has not assigned or transferred.

not be prejudiced in its rights under this Agreement by any act or failure to act of Borrower or Seller, or any non-compliance of Borrower or Seller with any agreement or obligation, regardless of any knowledge thereof which the Bank may have or with which the Bank may be charged; and no action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligations of Seller under this Agreement. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank 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 the Bank except as expressly set forth in a writing duly signed and delivered on behalf of the Bank. For the purposes of this Agreement, Base Debt shall include all Obligations of Borrower to the Bank under the Loan Agreement and the Notes, up to the maximum principal amount specified above, notwithstanding any right or power of Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such Obligation, and no such claim or defense shall affect or impair the agreements and obligations of Seller hereunder.

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The undersigned Borrower hereby acknowledges receipt of a copy of the foregoing Intercreditor and Subordination Agreement, waives notice of acceptance thereof by the Bank, and consents to and agrees to be bound by the terms and provisions thereof, to make no payments or distributions contrary to the terms and provisions thereof, and to do every other act and thing necessary or appropriate to carry out such terms and provisions, including, without limitation, giving notice to the Bank of any attempt by Seller to accelerate, enforce or collect any Seller Debt for any reason. In the event of any violation of any of the terms and provisions of the foregoing Intercreditor and Subordination Agreement, an Event of Default shall be deemed to have occurred under the Loan Agreement, and, at the election of the Bank, any and all Obligations of the undersigned Borrower to the Bank shall forthwith become due and payable and any and all agreements of the Bank to make loans, advances or other financial accommodations to the undersigned Borrower, whether under the Loan Agreement or otherwise, shall forthwith terminate, notwithstanding any provisions thereof to the contrary.

DATED: September 17, 1990

E.W. KNEIP COMPANY

ATTEST: (SEAL)

By: [Signature]
Its: [Signature]

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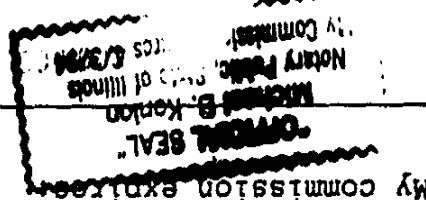
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Notary Public

Michael B. Kordon

GIVEN under my hand and official seal this 17th day of September, 1990.

I, Michael B. Kordon, a notary public in said County, in the State aforesaid, DO HEREBY CERTIFY that Anthony M. Spivey, as President and Mark D. Blum, as Secretary, appeared before me this day in person and acknowledged that as such officers of E.W. Knisp Company, an Illinois corporation, such officers signed and delivered the foregoing instrument pursuant to the authority given by the board of directors of the corporation as such officers' free and voluntary acts and as the free and voluntary act and deed on behalf of the corporation, for the uses and purposes therein set forth.

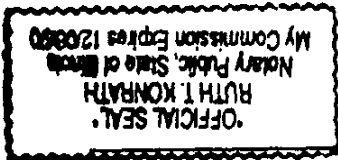
STATE OF ILLINOIS)
COUNTY OF Cook)
SS.)

December 6, 1990

My commission expires:

Notary Public

Ruth I. Konrath



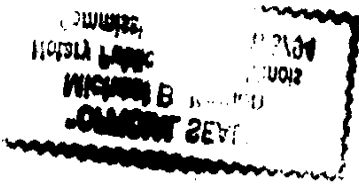
GIVEN under my hand and official seal this 13th day of September, 1990.

I, Ruth I. Konrath, a notary public in said County, in the State aforesaid, DO HEREBY CERTIFY that Dennis C. Gott, as Secretary and Elliot L. Sharpe, as Vice President-Finance appeared before me this day in person and acknowledged that as such officers of Swift-Eckrich, Inc., an Illinois corporation, such officers signed and delivered the foregoing instrument pursuant to the authority given by the board of directors of the corporation as such officers' free and voluntary acts and as the free and voluntary act and deed on behalf of the corporation, for the uses and purposes therein set forth.

STATE OF ILLINOIS)
COUNTY OF DU PAGE)
SS.)

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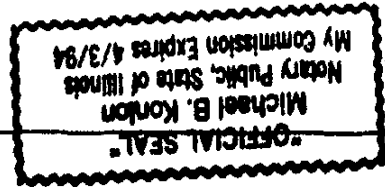
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My commission expires:

Michael B. Kordon
Notary Public

I, Michael B. Kordon, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Philip L. Ostroff, as Senior Vice President and as appeared before me this day in person and acknowledged that as such officers of Bank One, Milwaukee, N.A., a national banking association signed and delivered the foregoing instrument pursuant to the authority given by the board of directors of the corporation as such officers, free and voluntary act and deed and as the free and voluntary act and deed on behalf of the corporation, for the uses and purposes therein set forth. GIVEN under my hand and official seal this 17 day of September, 1990.

STATE OF ILLINOIS
COUNTY OF COOK

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My Commission Expires 4/3/04
Notary Public, State of Illinois
MICHAEL B. KOLLON
OFFICIAL SEAL

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Permanent Index Tax Number: 17-21-122-020-0000
Volume 600

LOT "A" OF E. MEYER AND COMPANY, INCORPORATED
CONSOLIDATION OF CERTAIN LOTS, VACATED ALLEYS
AND VACATED STREET IN BLOCK 59 IN CANAL
TRUSTEES NEW SUBDIVISION OF BLOCKS IN THE
NORTH WEST 1/4 OF SECTION 21, TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL
MERIDIAN, (EXCEPT BLOCKS 57 AND 58) ACCORDING
TO THE PLAT RECORDED AS DOCUMENT 19520016, IN
COOK COUNTY, ILLINOIS.

The real property located at the premises commonly known as
550 West 14th Place, Chicago, Cook County, Illinois 60607 and
legally described as follows:

EXHIBIT A
(Legal Description)

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