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SUBORDINATION AND STAND-STILL AGREEMENT

This SUBORDINATION AND STAND-STILL AGREEMENT is made and entered into as of the 25th day of June, 1992, by and among KENLEY MANAGEMENT COMPANY, a California corporation ("Junior Creditor"), and LASALLE NATIONAL BANK, a national banking association ("Senior Lender").

RECITALS:

A. American National Bank and Trust Company of Chicago, not personally but solely as Trustee ("Trustee") under the provisions of a Trust Agreement dated June 14, 1991, and known as Trust No. 115429-05 (the "Trust") and Sanders 2100 Limited Partnership, an Illinois limited partnership ("Partnership"), have executed a Mortgage Note (the "Note") in favor of Senior Lender in an original principal amount of \$10,950,000.

B. The indebtedness evidenced by the Note is secured by, among other things, the following instruments in favor of Senior Lender: (i) a Mortgage dated June 25, 1992 (the "Mortgage") upon certain property owned by the Trust located at 2100 Sanders Road, Northbrook, Illinois and legally described in Exhibit A attached hereto (the "Property"), (ii) a Security Agreement dated June 25, 1992 (the "Security Agreement") upon certain property located at the Property, and (iii) a Collateral Assignment of Beneficial Interest in Land Trust dated June 25, 1992 (the "Collateral Assignment") assigning the beneficial interest of the Trust.

C. Partnership has previously obtained from Junior Creditor certain loans pursuant to a Credit Agreement (the "Junior Credit Agreement") dated as of June 14, 1991, secured by, among other things, a Collateral Assignment of the Beneficial Interest Under Land Trust dated June 14, 1991 (the "Junior Security Agreement").

D. One of the conditions precedent to the right of Borrower to obtain the Loan is the subordination of payments on and the performance of the terms of the Subordinated Debt (as hereinafter defined) to the payment and performance of the terms of the Senior Debt (as hereinafter defined).

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. **Definitions.** When used herein, the following terms shall have the following meanings:

"Senior Debt" shall mean, at any given time, all obligations owed by Partnership or Trustee to Senior Lender pursuant to the terms and provisions of the Senior Debt Documents (as hereinafter defined), including all principal, interest and other charges which accrue thereon pursuant to the terms of the Note, the Mortgage or otherwise.

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"Senior Debt Documents" shall mean the Note, the Mortgage, the Security Agreement, the Collateral Assignment and all other instruments and documents executed and delivered by Partnership and/or Trustee as security for the Senior Debt or in connection therewith, all as the same may be amended, modified or supplemented from time to time.

"Subordinated Debt" shall mean all obligations owed by Partnership and/or Trustee to Junior Creditor, whether now existing or hereafter arising.

"Subordinated Debt Documents" shall mean the Junior Credit Agreement, the Junior Security Agreement and any and all other instruments evidencing or securing the Subordinated Debt.

2. Subordination of Subordinated Debt to Senior Debt.

(a) Junior Creditor's security interest in the beneficial interest of the Trust and the Subordinated Debt Documents are hereby expressly subordinated to the security interest of Senior Lender in the beneficial interest of the Trust pursuant to the Collateral Assignment and to the Senior Debt Documents.

(b) The payment of any Subordinated Debt is hereby expressly subordinated to the prior payment in full of the Senior Debt; provided, however, that all or a portion of the Subordinated Debt may be paid by Partnership or Trustee to Junior Creditor at any time and from time to time if and only if (i) such amount is then due and owing under the Subordinated Debt Documents, (ii) payment of such amount is not prohibited by Section 6 of the Security Agreement, and (iii) there is not then any Event of Default under the Senior Debt Documents (or Junior Creditor is entitled to exercise any of its rights or remedies pursuant to Paragraph 3 hereof).

(c) In the event of any insolvency, bankruptcy, receivership, custodianship, liquidation, reorganization, assignment for the benefit of creditors, or any other proceeding for the liquidation, dissolution or other winding up of Partnership, Trustee or the Trust or any of the property owned by any of the foregoing:

(i) All Senior Debt first shall be paid in full before any further payments or distributions are made in respect of the Subordinated Debt;

(ii) Any payment or distribution which, but for the terms hereof, otherwise would be payable or deliverable in respect of the Subordinated Debt, shall be paid or delivered directly to Senior Lender for appli-

ation to the Senior Debt until all Senior Debt shall have been paid in full. Junior Creditor irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all such payments and deliveries. Junior Creditor irrevocably authorizes and empowers Senior Lender to demand, sue for, collect and receive every such payment or distribution described herein; and

(iii) Junior Creditor agrees to execute and deliver to Senior Lender or its representative all such further instruments confirming the authorization referred to in the foregoing clause (ii), and agrees to take all such other actions as may be requested by Senior Lender in order to enable Senior Lender to enforce all claims upon or in respect of the Subordinated Debt.

(d) Until the Senior Debt is paid in full, Junior Creditor shall not demand, accept or retain (except as provided in the Junior Credit Agreement and the letter dated July 1, 1992 from the Partnership to Big Bear Properties, Inc.) any security from the partnership or Trustee for the Subordinated Debt.

(e) If any payment, distribution or security is received by Junior Creditor in contravention of the terms of this Subordination Agreement, such payment, distribution or security shall not be commingled with any assets of Junior Creditor and shall be held in trust by Junior Creditor for the benefit of Senior Lender, subject to the obligation of Junior Creditor to pay or assign such payment, distribution or security to Senior Lender as provided in this subparagraph (e). To the extent a payment is received by Junior Creditor in contravention of the terms of this Subordination Agreement, such payment shall be paid over to Senior Lender, or its representative, for application to the payment of all Senior Debt then remaining unpaid, until all of the Senior Debt is paid and discharged in full.

(f) Prior to the consummation of any proposed sale, assignment, disposition or other transfer of all or any portion of the Subordinated Debt owing to Junior Creditor, Junior Creditor shall cause the transferee of such portion of the Subordinated Debt to execute and deliver to Senior Lender an agreement substantially identical to this Subordinated Agreement, providing for the continued subordination of such portion of the Subordinated Debt to the Senior Debt as provided herein and for the continued effectiveness of all of the rights of Senior Lender arising under this Subordination Agreement. Notwithstanding the failure to execute

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and/or deliver any such agreement, the subordination effected hereby shall survive any sale, assignment, disposition or other transfer of all or any portion of the Subordinated Debt, and the terms of this Subordination Agreement shall be binding upon the successors and assigns of Junior Creditor.

3. Restrictions on Junior Creditor. Upon the commencement of foreclosure by Senior Lender of the Mortgage and for a period of sixty (60) days thereafter Junior Creditor shall not exercise any of the rights or remedies set forth in the Subordinated Debt Documents (other than any right to cure defaults) or any other rights or remedies which may be available to Junior Creditor either at law or in equity.

4. Continued Effectiveness of this Agreement. The terms of this Subordination Agreement, the subordination effected hereby, and the rights and the obligations of Senior Lender and Junior Creditor arising hereunder, shall not be affected, modified or impaired in any manner or to any extent by: (i) any amendment or modification of or supplement to the Subordinated Debt Documents or the Senior Debt Documents, (ii) the validity or enforceability of any of such documents, or (iii) any exercise or non-exercise of any right, power or remedy under or in respect of the Senior Debt or the Subordinated Debt or any of the instruments or documents referred to in clause (i) above.

5. Representations and Warranties. Junior Creditor hereby represents and warrants to Senior Lender that:

(a) No consent or approval of, or other action by any person or entity, which has not already been obtained, is required in connection with the execution, delivery and performance of this Subordination Agreement, or is required as a condition to the validity or enforceability hereof.

(b) This Subordination Agreement, when executed and delivered by Junior Creditor, will constitute the legal and validly binding obligation of Junior Creditor, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally.

6. Miscellaneous.

(a) The provisions of this Subordination Agreement are solely for the purpose of defining the relative rights of Junior Creditor and Senior Lender, and shall not be deemed to create any rights or priorities in any other person including, without limitation, Partnership or Trustee.

(b) In the event of any conflict between any term,

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covenant or condition of this Subordination Agreement and any term, covenant or condition of any Subordinated Debt Documents, the provisions of this Subordination Agreement shall govern and be controlling.

(c) Any notices, communications and waivers under this Subordination Agreement shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Senior Lender: LaSalle National Bank
120 South LaSalle Street
Chicago, Illinois 60603
Attn: Mr. Bruce Duncan
Commercial Real Estate Group

With copy to: Greenberger Krauss & Tenenbaum, Chtd.
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601
Attn: David Glickstein, Esq.

To Junior Creditor: Henley Management Company
555 Shookie Boulevard
Suite 255
Northbrook, Illinois 60062
Attn: John K. Billie

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

(d) This Subordination Agreement may be amended only by a written instrument signed by Senior Lender and Junior Creditor. No waiver of any term or provision of this Subordination Agreement shall be effective against Senior Lender or Junior Creditor unless it is in writing and signed by the party against whom such waiver is sought to be enforced. This Subordination Agreement shall be binding upon Junior Creditor and Senior Lender and the respective legal representatives, successors and assigns of such parties and shall inure to the benefit of their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the laws and decisions of the

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State of Illinois.

(a) Upon reasonable prior notice, Junior Creditor shall render to Senior Lender a statement of the accounts of Junior Creditor with Partnership and Trustee together with such confirmation as Senior Lender shall reasonably request from Junior Creditor's auditors.

(2) The parties hereto agree to execute and deliver all such other instruments and take all such other action as any party hereto reasonably may request in order to effectuate the provisions and purposes of this Subordination Agreement.

(c) If any provision of this Subordination Agreement shall be prohibited by or be invalid under applicable law, such provision shall be deemed ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Subordination Agreement.

(d) This Subordination Agreement shall terminate upon payment and performance in full of the Senior Debt.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JUNIOR CREDITOR:

HENLEY MANAGEMENT COMPANY, a California corporation

By: [Signature]
Its: VICE PRESIDENT

SENIOR LENDER:

LABALLE NATIONAL BANK, a national banking association

By: [Signature]
Title: VICE PRES

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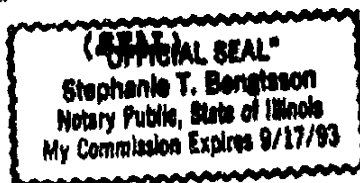
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, STEPHANIE T. Bengtson, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John K. Billie, the Vice President of HENLEY MANAGEMENT COMPANY, a California corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 12th day of July, 1992.

Stephanie T. Bengtson
NOTARY PUBLIC

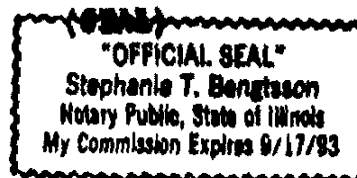


STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Stephanie T. Bengtson, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Bruce Duncan, the Vice President of LASALLE NATIONAL BANK, a national banking association, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said banking association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 12th day of July, 1992.

Stephanie T. Bengtson
NOTARY PUBLIC



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OFFICIAL SEAL
Stephanie T. Bergeson
County Public, State of Illinois
My Commission Expires 01/15/23

OFFICIAL SEAL
Stephanie T. Bergeson
County Public, State of Illinois
My Commission Expires 01/15/23

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EXHIBIT A

PARCEL 1:

THAT PART OF LOTS 4 AND 5 IN COUNTY CLERK'S DIVISION IN SECTION 18, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE CENTER OF SANDERS ROAD 591.84 FEET SOUTHERLY (MEASURED ALONG THE CENTER LINE OF SANDERS ROAD) OF THE INTERSECTION OF SAID CENTER LINE WITH THE NORTH LINE OF LOT 4; THENCE WESTERLY AT RIGHT ANGLES TO THE CENTER LINE OF SANDERS ROAD 446.33 FEET TO THE SOUTHERLY CORNER OF LOT 6; THENCE SOUTH ON THE WEST LINE OF LOT 5, 317.23 FEET, MORE OR LESS, TO A POINT 361.40 FEET NORTH OF THE SOUTHWEST CORNER OF LOT 5; THENCE EAST ON A LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF LOT 5, 264.0 FEET TO A LINE BETWEEN LOTS 4 AND 5; THENCE EAST ON A LINE 361.40 FEET NORTH OF THE SOUTH LINE OF LOT 4, 227.63 FEET TO THE CENTER LINE OF SANDERS ROAD; THENCE NORTHERLY ALONG THE CENTER OF SAID ROAD 375.96 FEET TO THE PLACE OF BEGINNING, (EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE CENTER LINE OF SANDERS ROAD 591.84 FEET SOUTHERLY OF THE INTERSECTION OF SAID CENTER LINE WITH THE NORTH LINE OF AFORESAID LOT NO. 4, THENCE WESTERLY AT RIGHT ANGLES TO THE CENTER LINE OF SANDERS ROAD 150.0 FEET TO A POINT; THENCE WITH AN ANGLE OF 90 DEGREES 00 MINUTES TO THE LEFT FROM THE PRECEDING COURSE EXTENDED 92.78 FEET; THENCE WITH AN ANGLE OF 90 DEGREES 00 MINUTES TO THE LEFT FROM THE PRECEDING COURSE EXTENDED 75.00 FEET; THENCE WITH AN ANGLE OF 79 DEGREES 39 MINUTES 30 SECONDS TO THE RIGHT FROM THE PRECEDING COURSE EXTENDED 139.26 FEET; THENCE WITH AN ANGLE OF 79 DEGREES 39 MINUTES 30 SECONDS TO THE LEFT FROM THE PRECEDING COURSE EXTENDED 50.00 FEET TO A POINT, SAID POINT BEING IN THE CENTER LINE OF SANDERS ROAD; THENCE NORTHERLY ALONG THE CENTER LINE OF SAID SANDERS ROAD 229.78 FEET TO THE PLACE OF BEGINNING) ALL IN COOK COUNTY, ILLINOIS

PARCEL 2:

THAT PART OF LOTS 4 AND 5 IN COUNTY CLERK'S DIVISION IN SECTION 18, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE CENTER LINE OF SANDERS ROAD WHICH IS THE POINT OF INTERSECTION OF SAID CENTER LINE OF SANDERS ROAD AND A LINE 192.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5; THENCE WESTERLY ON SAID LINE 192.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5, TO THE WEST LINE OF SAID LOT 5; THENCE NORTHERLY ALONG SAID WEST LINE OF LOT 5, A DISTANCE OF 168.68 FEET TO A POINT OF INTERSECTION WITH A LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5, THENCE EASTERLY ALONG SAID LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5, A DISTANCE OF 224.04 FEET TO A POINT OF INTERSECTION WITH A LINE 39.96 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID LOT 5, THENCE SOUTHERLY ALONG SAID LINE 39.96 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID LOT 5, A DISTANCE OF 148.68 FEET TO A POINT OF INTERSECTION WITH A LINE 212.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5, THENCE EASTERLY ALONG A LINE 212.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5, TO THE CENTER LINE OF SAID SANDERS ROAD AND THENCE SOUTHERLY ALONG SAID CENTER LINE OF SANDERS ROAD, A DISTANCE OF 20.16 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS

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PARCEL 3

THAT PART OF LOTS 4 AND 5 IN COUNTY CLERK'S DIVISION OF SECTION 18, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE CENTER LINE OF SANDERS ROAD WHICH IS THE POINT OF INTERSECTION OF SAID CENTER LINE OF SANDERS ROAD AND A LINE 192.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5; THENCE WESTERLY ON SAID LINE 192.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5, TO THE WEST LINE OF SAID LOT 5; THENCE NORTHERLY ALONG SAID WEST LINE OF LOT 5, A DISTANCE OF 148.68 FEET TO A POINT OF INTERSECTION WITH A LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5, THENCE EASTERLY ALONG SAID LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5, A DISTANCE OF 224.04 FEET TO A POINT OF BEGINNING SAID POINT BEING ON A LINE 39.96 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID LOT 5; THENCE SOUTHERLY ALONG SAID LINE 39.96 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID LOT 5, A DISTANCE OF 148.68 FEET TO A POINT OF INTERSECTION WITH A LINE 212.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 5; THENCE EASTERLY ALONG A LINE 212.72 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5, TO THE CENTER LINE OF SAID SANDERS ROAD AND THENCE NORTHERLY ALONG SAID CENTER LINE OF SANDERS ROAD, A DISTANCE OF 149.96 FEET MORE OR LESS TO A POINT OF INTERSECTION WITH A LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF LOTS 4 AND 5 AFORESAID, THENCE WESTERLY ALONG SAID LINE 361.40 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOTS 4 AND 5, 267.89 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

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NORTHBROOK

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