

# UNOFFICIAL COPY

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474394 \* - 93-753431  
COOK COUNTY RECORDER

## SUBORDINATION AGREEMENT

Agreement dated as of September 2, 1993 between FSC Corporation, a Delaware corporation having an address c/o Dillon, Read & Co. Inc., 535 Madison Avenue, New York, New York 10022 (the "Company") and CIT Group/Equipment Financing, Inc., a New York corporation having an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lender").

### R E C I T A L S:

A. FSC Paper Company, L.P., a Delaware limited partnership ("FSC Paper"), has executed in favor of the Company a certain Indemnity Mortgage dated July 31, 1993 (the "Indemnity Mortgage") relating to certain real property located in Cook County, Illinois, as more particularly described in Exhibit A attached hereto (the "Property"), which Property is subject to a certain Declaration of Condominium of Alsip Paper Condominium pursuant to the Condominium Property Act, dated July 30, 1993 (the "Declaration"; capitalized terms used herein and not defined shall have the meaning set forth in the Declaration).

B. In connection with certain credit facilities to be provided by Lender to the Company, the Company has executed in favor of Lender a certain Collateral Assignment of Mortgage, dated as of August 31, 1993 (the "Collateral Assignment") pursuant to which the Company has collaterally assigned to Lender its rights under the Indemnity Mortgage.

C. Continental Bank N.A. ("Continental") has agreed to issue for the account of FSC Paper a certain Letter of Credit in an aggregate amount not to exceed \$3,000,000, which Letter of Credit constitutes Additional Security and FSC Paper has executed in favor of Continental a certain mortgage and security agreement, dated as of August 31, 1993 (the "Continental Mortgage") affecting the Property to secure FSC Paper's reimbursement obligations in respect of the Letter of Credit.

D. Pursuant to Section 21 of the Declaration, the Company and Lender are required to subordinate their liens on the Property to the lien of the Continental Mortgage to the extent set forth in Section 21 of the Declaration.

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Prepared by  
Mail to:  
Ms Atty Mobilid  
Cahill Gordon and Reindel  
20 Pine Street  
NY, NY 10005

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E. Lender and the Company wish to subordinate their interests in the Property in accordance with the Declaration.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Company, Lender and Continental hereby agree as follows:

1. The lien of the Indemnity Mortgage and the Collateral Assignment shall be junior and subordinate to the lien of the Continental Mortgage; provided, however, that the lien of the Indemnity Mortgage and the Collateral Assignment shall only be subordinate to the lien of the Continental Mortgage (i) to the extent that the Letter of Credit constitutes Additional Security as defined in the Declaration and (ii) to the extent that the Continental Mortgage secures L/C Liabilities (as defined in the Continental Mortgage) owing by FSC Paper to Continental under the Letter of Credit. The lien of the Indemnity Mortgage and the Collateral Assignment shall not be subordinate to the Continental Mortgage (and/or any financing statement filed in connection therewith) to the extent that it secures any amounts owing by FSC Paper to Continental other than L/C Liabilities under the Letter of Credit provided as Additional Security.

2. All of the terms, provisions, covenants, agreements and conditions contained in the Indemnity Mortgage and the Collateral Assignment shall remain in full force and effect except as expressly contemplated herein.

3. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

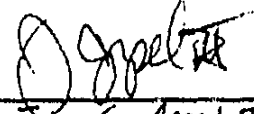
4. This Agreement may be executed in any number of counterparts and by the parties hereto on different counterparts, each of which shall together constitute one and the same instrument.

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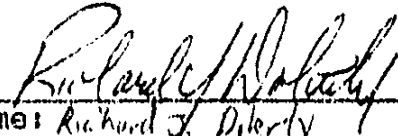
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FSC CORPORATION

By:   
Name: John G. Appel III  
Title: Vice President and Assistant Secretary

CIT GROUP/EQUIPMENT FINANCING, INC.

By:   
Name: Richard J. Dierly  
Title: Vice President

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STATE OF NEW YORK )  
                          ) ss.:  
COUNTY OF NEW YORK )

On this 2nd day of September, 1993, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared John G. Appel III to me personally known, who, being by me duly sworn, did say that he is the Vice President and Assistant Secretary of FSC Corporation, a Delaware corporation, that the instrument was signed and sealed on behalf of the corporation by authority of the corporation's Board of Directors, and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

  
\_\_\_\_\_  
Notary Public

My commission expires:

PAUL G. MACKEY  
Notary Public, State of New York  
No. 4949314  
Qualified in Putnam County 95  
Commission Expires April 3, 1995

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## EXHIBIT A

### LEGAL DESCRIPTION

The Tissue Unit in Alsip Paper Condominium as delineated on the survey (described below) of the following described parcels of real estate:

All those certain plots, pieces or parcels of land described as follows:

PARCEL 1: THE WEST 1/2 OF THE SOUTH WEST 1/4 (EXCEPTING THE SOUTH 1870 FEET THEREOF AND ALSO EXCEPTING THE WEST 50 FEET THEREOF) AND EXCEPTING THAT PART TAKEN BY THE COUNTY OF COOK IN DEED RECORDED AS DOCUMENT 24457221 OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 24-35-300-001-0000

PARCEL 2: LOT 2 (EXCEPT THE NORTH 20 FEET THEREOF AND EXCEPT THAT PORTION LYING SOUTH OF A LINE 50 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN) AND LOTS 3 AND 4 (EXCEPT THE NORTH 44 FEET THEREOF AND EXCEPT THAT PORTION LYING SOUTH OF A LINE 40 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND EXCEPT THE NORTH 10 FEET OF THE SOUTH 17 FEET OF THE WEST 157.27 FEET OF SAID LOT 3) ALL IN BLUE ISLAND GARDENS, A SUBDIVISION OF THE SOUTH 1/2 OF THE FOLLOWING DESCRIBED LAND: THE NORTH WEST 1/4 (EXCEPT THE EAST 20 ACRES AND EXCEPT THE WEST 1/11TH OF THAT PART OF SAID NORTH WEST 1/4 LYING WEST OF THE SAID 20 ACRES) OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 24-35-101-043  
24-35-101-044

PARCEL 3: LOT 1 (EXCEPT THE SOUTH 560.00 FEET OF THE WEST 160.00 FEET AND EXCEPT THE NORTH 20.00 FEET THEREOF AND EXCEPT THE SOUTH 17 FEET LYING

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EAST OF THE WEST 160 FEET THEREOF AS CONDEMNED IN CASE 78L 4097) IN BLUE ISLAND GARDENS, A SUBDIVISION OF THE SOUTH 1/2 OF THE FOLLOWING DESCRIBED LAND: THE NORTH WEST 1/4 (EXCEPT THE EAST 20 ACRES THEREOF AND EXCEPT THE WEST 1/11TH OF THAT PART OF SAID NORTH WEST 1/4 LYING WEST OF SAID EAST 20 ACRES) OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

THE SOUTH 1/2 OF THE WEST 1/11TH OF THAT PART OF THE NORTH WEST 1/4 LYING WEST OF THE EAST 20 ACRES THEREOF, OF SECTION 35 (EXCEPT THE NORTH 20.00 FEET THEREOF AND EXCEPT THE SOUTH 593.00 FEET THEREOF AND EXCEPT THE WEST 50.00 FEET THEREOF) ALL IN TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS AND CONTAINING 5.654 ACRES MORE OR LESS.

THE SOUTH 593.00 FEET OF THE WEST 1/11TH OF THAT PART OF THE NORTH WEST 1/4 LYING WEST OF THE EAST 20 ACRES THEREOF, OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE SOUTH 33.00 FEET THEREOF, AND EXCEPT THE WEST 50.00 FEET THEREOF AND EXCEPT THAT PORTION OF THE LAND CONDEMNED IN CASE 78L 4097) ALL IN COOK COUNTY, ILLINOIS, AND CONTAINING 2.07 ACRES MORE OR LESS.

PIN: 24-35-101-017  
24-35-101-020

PARCEL 4: THE SOUTH 560 FEET OF THE WEST 160 FEET (EXCEPT THE SOUTH 17 FEET THEREOF) OF LOT 1 IN BLUE ISLAND GARDENS SUBDIVISION IN THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING THE PLAT THEREOF RECORDED FEBRUARY 28, 1922 AS DOCUMENT 7070833, IN COOK COUNTY, ILLINOIS.

PIN: 24-35-101-003

TOGETHER WITH SAID TISSUE UNIT'S UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS AND IN THE WAREHOUSE LEASE (AS DEFINED IN THE CONDOMINIUM DECLARATION (DEFINED BELOW)).

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The "survey" referenced above is attached as Exhibit 'E' to the Declaration of Condominium by FSC Paper Company, L.P., (now known as Chicago Tissue Company, L.P.), a Delaware limited partnership, recorded in the Office of the Cook County, Illinois Recorder as Document No. 93-602958, as amended by a certain Amendment to Declaration of Condominium of Alsip Paper Condominium, recorded in the Office of the Cook County, Illinois Recorder on August 18, 1993 as Document No. R93-652739 (as so amended, the "Condominium Declaration").

Common Address: 13101 South Crawford (Pulaski) Avenue, Alsip, Illinois, along with certain vacant property at the crossroads of 131st Street and Crawford (Pulaski) Avenue, Alsip, Illinois.

Property of Cook County Clerk's Office  
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