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SUBORDINATION AND INTERCREDITOR AGREEMENT

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT ("Agreement") made as of the 17th day of February, 1993 by and between LANE INDUSTRIES, INC., a Delaware corporation, having an office at One Lane Center, 1200 Shermer Road, Northbrook, Illinois 60062 (hereinafter referred to as the "Subordinate Mortgagee"), and UNUM LIFE INSURANCE COMPANY OF AMERICA, a Maine corporation, successor by merger to UNUM LIFE INSURANCE COMPANY, f/k/a UNION MUTUAL LIFE INSURANCE COMPANY, having an office at 2211 Congress Street, Portland, Maine 04122 (hereinafter referred to as the "Senior Mortgagee").

DEPT. OF RECORDING 143.00
 136666 1800 0467 06/06/93 13246000
 49926 4 M-93-253924
 COOK COUNTY RECORDER

WITNESSETH

WHEREAS, the Senior Mortgagee is the owner and holder of that certain Mortgage and Security Agreement described on Exhibit B attached hereto (said Mortgage, and any extensions, modifications, substitutions and consolidations thereof, being hereinafter referred to as the "Senior Mortgage"), covering the fee estate of Lane North Shore, Inc., a Delaware corporation (the "Borrower,") in certain premises located in the County of Cook and state of Illinois as more particularly described on Exhibit A attached hereto and made a part hereof, together with all improvements located thereon (collectively the "Mortgaged Premises"), and the note secured thereby (said note, and any extensions, modifications or substitutions thereof, being hereinafter referred to as the "Senior Note"), evidencing and securing a certain loan made by the Senior Mortgagee to the Borrower (the "Senior Loan"); and

WHEREAS, after the execution, delivery and recording of the Senior Mortgage, the Borrower executed and delivered to Harris Trust and Savings Bank, an Illinois banking corporation ("Harris"), (i) a note (said note, and any extensions, modifications or substitutions thereof, being hereinafter referred to as the "Subordinate Note") in the principal sum of Two Million Dollars (\$2,000,000.00) and (ii) that certain Second Mortgage and Security Agreement with Assignment of Rents described on Exhibit C attached hereto (said second mortgage and any extensions, modifications, substitutions and consolidations thereof, being hereinafter referred to as the "Subordinate Mortgage") securing said note

~~THIS DOCUMENT WAS PREPARED BY
 AND AFTER RECORDATION SHOULD BE
 RETURNED TO:~~

Andrew D. Small
 Katten Muchin & Zavie
 525 W. Monroe Street
 Suite 1600
 Chicago, Illinois 60641

RETURN TO:
 Box 15

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evidencing and securing a certain subordinate loan made by Harris to the Borrower (the "Subordinate Loan");

WHEREAS, The Subordinate Mortgagee is simultaneously herewith purchasing the Subordinate Loan from Harris including the Subordinate Note and the Subordinate Mortgage;

WHEREAS, Borrower has requested that Senior Mortgagee modify and amend the Senior Loan; and

WHEREAS, Senior Mortgagee is unwilling to amend the Senior Loan unless the Subordinate Mortgagee enters into this Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto the Subordinate Mortgagee and the Senior Mortgagee hereby agree as follows:

1) The Subordinate Mortgage and any other document evidencing, securing or guaranteeing the indebtedness secured by the Subordinate Mortgage (together with any extensions, modifications, substitutions and consolidations thereof, being hereinafter collectively referred to as the "Subordinate Loan Documents") and all advances made thereunder are hereby, subordinate in lien and in payment to the lien and payment of the Senior Note, the Senior Mortgage and any other document evidencing, securing or guaranteeing the indebtedness secured by the Senior Mortgage (together with any renewals, extensions, modifications, substitutions, replacements, releases and consolidations thereof, being hereinafter collectively referred to as the "Senior Loan Documents") and all advances made thereunder. All of the terms, covenants and conditions of the Subordinate Loan Documents are hereby subordinated to all of the terms, covenants and conditions of the Senior Loan Documents.

2) All future advances made after the occurrence of a default under the Senior Loan Documents shall take precedence and priority without consent by the Subordinate Mortgagee, and without any obligation to give notice of any kind to the Subordinate Mortgagee.

3) Without limiting the foregoing, the Subordinate Mortgagee agrees that all rights of the Subordinate Mortgagee under the Subordinate Mortgage or under the Subordinate Loan Documents in and to the Mortgaged Premises and the proceeds thereof (including assignments of leases and rents, issues and profits and the rights with respect to insurance proceeds and condemnation awards) shall be expressly subject and subordinate to the rights of the Senior Mortgagee.

4) The Subordinate Mortgagee hereby represents and warrants that (a) it is now the owner and holder of the Subordinate Mortgage; (b) the Subordinate Mortgage is now in full force and

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effect; (c) the Subordinate Mortgage has not been modified or amended; (d) the Borrower is not in default in the observance and/or performance of any of the obligations thereunder required to be observed and performed by the Borrower; (e) no event has occurred, which, with the passing of time or the giving of notice or both would constitute a default thereunder; (f) all payments due thereon to and including the date hereof, have been paid in full; (g) the principal balance of the indebtedness secured by the Subordinate Mortgage is \$ 1,850,000.00; (h) interest on the principal balance shall be initially calculated at the annual rate of 11 1/4 %; (i) no scheduled monthly payments under the Subordinate Note have been prepaid; (j) the Subordinate Loan does not provide for negative amortization or the accrual, deferral or capitalization of interest; (k) the Subordinate Loan does not provide for any equity kicker, additional interest, shared appreciation or any kind of equity participation.

5) The Subordinate Mortgagee hereby agrees that so long as any sum shall remain outstanding on the Senior Mortgage:

(a) The Subordinate Mortgagee shall simultaneously send to the Senior Mortgagee full and descriptive written notice of all defaults and intention to take any "Enforcement Actions" (as hereinafter defined) under the Subordinate Mortgage. Notice under the Subordinate Mortgage shall not be deemed effective until such notice has been received by the Senior Mortgagee. The Senior Mortgagee shall have the right, but shall not have any obligation whatsoever, to cure any such default within ten (10) days after the expiration of the applicable grace period permitted to the Borrower under the Subordinate Loan Documents.

Furthermore, with respect to non-monetary defaults under the Subordinate Loan Documents, if (i) such non-monetary default is not susceptible to being cured with reasonable effort within such ten (10) day period, (ii) the Senior Mortgagee, within such ten (10) day period, gives the Subordinate Mortgagee written notice of its intention to cure any such default, (iii) during the time in which the Senior Mortgagee is curing such default, all other obligations evidenced or secured by the Subordinate Loan Documents are at all times paid and performed in a complete and timely fashion, and (iv) thereafter, the Senior Mortgagee promptly commences and diligently prosecutes the cure to completion, the Subordinate Mortgagee shall not commence any Enforcement Action (hereinafter defined) permitted herein. Nothing contained in this Agreement shall be deemed or construed to require the Senior Mortgagee to commence or continue to prosecute any such cure to completion or prevent the Senior Mortgagee from discontinuing such cure.

The term "Enforcement Action" shall mean, with respect to the Subordinate Loan, the acceleration of all or any part of the Subordinate Loan, any foreclosure proceeding, the exercise of any power of sale, the acceptance by the Subordinate

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Mortgagee of a deed or assignment in lieu of foreclosure, the obtaining of a receiver, the taking of possession or control of all or any portion of the Mortgaged Premises, the suing on the Subordinate Note or any guaranty in favor of the Subordinate Mortgagee, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against the Mortgaged Premises;

(b) In the event: (i) the Senior Loan becomes due or is declared due and payable prior to its stated maturity or Borrower is in default under the Senior Loan Documents; or (ii) any distribution, voluntary or involuntary by operation of law or otherwise, is made of all or any part of the property of the Borrower to any creditor or creditors of the Borrower by reason of any liquidation of the Borrower, or of any receivership for the Borrower of all or substantially all of its property, or of any insolvency or bankruptcy proceedings or assignment for the benefit of Borrower's creditors, then, and in any such event, any payment or distribution of any kind which shall be payable with respect to the Subordinate Loan or which has been received by the Subordinate Mortgagee subsequent to the effective date of any of the events described in (i) or (ii) above, shall be held in trust by the Subordinate Mortgagee for the benefit of the Senior Mortgagee and shall be paid or delivered directly to the Senior Mortgagee for application to the payment of the Senior Loan but only to the extent necessary to make payment in full of all sums due under the Senior Loan. In any such event, the Senior Mortgagee may but shall not be obligated to collect any such payment or distribution that would, but for these subordination provisions, be payable or deliverable with respect to the Subordinate Loan. In the event of any of the foregoing occurrences, and until the Senior Loan shall have been fully paid and satisfied and all of the obligations of the Borrower to the Senior Mortgagee have been performed in full, no payment shall be made to or accepted by the Subordinate Mortgagee in respect of the Subordinate Loan;

(c) No Enforcement Action or any other action will be taken by the Subordinate Mortgagee that would terminate any leases or other rights held by or granted to or by third parties with respect to the Mortgaged Premises;

(d) (i) If any Enforcement Action is commenced, no portion of the rents, issues and profits of the Mortgaged Premises shall be collected except through a receiver appointed by a court of competent jurisdiction, after due notice of the application for the appointment of such receiver shall have been given to the Senior Mortgagee and the rents, issues and profits so collected by such receiver shall be applied first to the payment of principal, interest and all other amounts due by Borrower to Senior Mortgagee under the Senior Mortgage, and then to the payment of taxes, assessments, insurance, maintenance expenses, and operating charges on the Mortgaged Premises prior to the payment, if

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any, of the obligations due and owing on the Subordinate Mortgage; and (ii) if during the pendency of any such Enforcement Action, Senior Mortgagee shall commence foreclosure or any action or proceedings with respect to the Senior Mortgage, all such rents, issues and profits held by such receiver as of the date of such application shall be applied by the receiver solely for the benefit of the Senior Mortgagee and the Subordinate Mortgagee shall not be entitled to any portion thereof until all sums due and owing pursuant to the Senior Mortgage have been paid in full;

(e) In the event the Senior Mortgagee shall release, for the purposes of restoration of all or any part of the improvements on or within the Mortgaged Premises, its right to the proceeds under policies of insurance thereon, and/or its right to any awards or to other compensation made for any damages or losses by reason of a taking in eminent domain, the Subordinate Mortgagee shall release all of its right if any, to such insurance proceeds, awards or compensation and the Subordinate Mortgagee agrees that the balance, if any, of such proceeds remaining after such restoration shall be applied to the reduction of principal under the Senior Mortgage;

(f) The Subordinate Mortgagee hereby waives any and all rights it may acquire by subrogation or otherwise to any lien, right or other interest in the Mortgaged Premises, prior in right to the Senior Mortgagee;

(g) The Subordinate Mortgagee shall not pledge, assign, hypothecate, transfer, convey or sell the Subordinate Mortgage or any interest in the Subordinate Mortgage or modify or amend any of the terms or provisions of the Subordinate Mortgage, without the prior written consent of the Senior Mortgagee;

(h) As to all leases now or hereafter in effect with respect to the Mortgaged Premises, the Subordinate Mortgagee agrees to approve all leases which are approved by the Senior Mortgagee. The Subordinate Mortgagee shall also enter into recognition and non-disturbance agreements with any tenants to whom the Senior Mortgagee has granted recognition and non-disturbance, on the same terms and conditions given by the Senior Mortgagee;

(i) The Subordinate Mortgagee hereby waives any equitable right in respect of marshalling it might have, in connection with any release of all or any portion of the Mortgaged Premises by the Senior Mortgagee under the Senior Mortgage, to require the separate sales of any portion of the Mortgaged Premises or to require the Senior Mortgagee to exhaust its remedies against any portion of the Mortgaged Premises, or any other collateral, or to require the Senior Mortgagee to proceed against any portion of the Mortgaged Premises or any other collateral, before proceeding against any other portion of the Mortgaged Premises and further, in the event of any foreclosure, the Subordinate Mortgagee hereby

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expressly consents to and authorizes, at the option of the Senior Mortgagee, the sale, either separately or together, of all or any portion of the Mortgaged Premises;

(j) The Subordinate Mortgagee shall not collect payments for the purpose of escrowing taxes, assessments or other charges imposed on the Mortgaged Premises or insurance premiums due on the insurance policies required under the Senior Mortgage or the Subordinate Mortgage if the Senior Mortgagee is collecting payments for such purposes; however, the Subordinate Mortgagee may collect payments for such purposes if the Senior Mortgagee is not collecting the same, provided such payment shall be held in trust by the Subordinate Mortgagee to be applied only for such purposes;

(k) After request by the Senior Mortgagee, the Subordinate Mortgagee shall within ten (10) days furnish the Senior Mortgagee with a statement, duly acknowledged and certified setting forth the original principal amount of the Subordinate Note, the unpaid principal balance, all accrued interest but unpaid interest and any other sums due and owing thereunder, the rate of interest, the monthly payments and that there exists no defaults under the Subordinate Note and the Subordinate Mortgage.

(l) To the extent any payment under the Senior Loan Documents (whether by or on behalf of the Borrower, as proceeds of security or enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar party, the Senior Loan or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

6) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

7) Each party hereto acknowledges that to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event either party fails to comply with its obligations hereunder, the other party shall have the right to obtain specific performance of the obligations of such defaulting party, injunctive relief or such other equitable relief as may be available.

8) Any notice to be given under this Agreement shall be in writing and shall be deemed to be given when received by the party to whom it is addressed. Notices shall be sent by registered mail,

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hand delivery or by special courier (in each case, return receipt requested). Notices to the other party hereto shall be sent to the address first set forth herein or such other address or addresses as shall be designated by such party in a written notice to the other parties.

9) This Agreement may be executed in two or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against a party against whom the enforcement of such amendment, supplement, modification, waiver or termination would be asserted, unless such amendment, supplement, modification, waiver or termination was made in a writing signed by such party.

11) In case any provision contained in this Agreement shall be unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

12) This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

13) This Agreement shall bind and inure to the benefit of the Senior Mortgagee and the Subordinate Mortgagee and their respective successors, permitted transferees and assigns.

14) Subordinate Mortgagee acknowledges receipt of the Senior Mortgage.

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IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SENIOR MORTGAGE

UNUM LIFE INSURANCE COMPANY OF AMERICA, successor by merger to UNUM LIFE INSURANCE COMPANY (formerly known as UNION MUTUAL LIFE INSURANCE COMPANY)

By: 

VICE PRESIDENT

SUBORDINATE MORTGAGE:

LANE INDUSTRIES, INC., a Delaware corporation

By: 

Richard M. Smith

ATTEST:



Secretary

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State of Illinois)
County of Cook) ss

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY, that Richard M. Smith and Arthur J. Schiller personally known to me to be the Assistant Treasurer and _____ secretary of LANE INDUSTRIES, INC., a Delaware corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Assistant Treasurer and such secretary they signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal, this 16 day of March, 1993

{ IMPRESS NOTARIAL SEAL }

"OFFICIAL SEAL"

Jan H. Kochenwieser
Notary Public, State of Illinois
My Commission Expires 11/19/96

Jan H. Kochenwieser
Notary Public

My Commission Expires:
1/01, 1996

State of Maine)
County of Androscoggin) ss

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY, that Theodore E. Bernard, Jr. personally known to me to be the Vice President of UNUM LIFE INSURANCE COMPANY OF AMERICA, a Maine Corporation, and personally known to me to be the same persons whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President (s) he signed and delivered the said instrument as his (her) free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal, this 19 day of March, 1993

{ IMPRESS NOTARIAL SEAL }

Theodore E. Bernard, Jr.
Notary Public

My Commission Expires:
_____, 19____

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL 1:

All that part of the South 495.0 feet of the East 1/2 of the South West 1/4 lying East of center line of Carpenter Road of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian (Except the South 166.90 feet of the West 250.0 feet thereof and except the East 540.0 feet and except the West 85.0 feet of the East 625.0 feet of the South 320.0 feet thereof) also except the South 50.0 feet taken for Touhy Avenue and the Westerly 30.0 feet taken for Carpenter Road, Cook County, Illinois.

PARCEL 2:

The West 85.0 feet of the East 540.0 feet of the South 350.0 feet, also the West 85.0 feet of the East 625.0 feet of the South 320.0 feet of the South 495.0 feet of the East 1/2 of the South West 1/4 of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian (Except the South 50.0 feet thereof taken for Touhy Avenue), in Cook County, Illinois.

PARCEL 3:

An easement for the benefit of the Parcels 1 and 2 in upon and under the South 8.0 feet of lot 1 in Geriann Babo Subdivision of the South 495.0 feet of the East 455.0 feet (Except the East 33.0 feet thereof) and the North 145.0 feet of the South 495.0 feet of the East 540 feet of the East 1/2 of the South West 1/4 of Section 28, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois to lay, construct, install, maintain, replace and renew sewer pipes and appurtenances thereto, including the right of ingress, egress and access for maintenance, repair and replacement thereof, free and undue interference or impediments as created by declaration, covenant and agreement of easement recorded July 21, 1917 as document 20,204,818 and as modified by agreement between Chicago Title and Trust Company as Trustee and American National Bank and Trust Company of Chicago as Trustee, dated August 9, 1972, recorded August 16, 1972 as document 22,015,924.

Permanent Index Number: 10-28-313-020

Volume: 126

Common Address: 5300 W. Touhy Avenue
Skokie, Illinois

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EXHIBIT B

Description of Senior Mortgage

Mortgage and Security Agreement, dated November 5, 1979, from LaSalle National Bank (now known as LaSalle national Trust, N.A.), not individually, but as Trustee under Trust Agreement, dated August 9, 1979, and known as Trust No. 101539 and Chicago Title & Trust Company, not individually, but as Trustee under Trust Agreement, dated June 1, 1979, and known as Trust No. 60253 to B.B. Coban & Co. and recorded in the office of the Cook County Recorder (the "Recorder's Office") as Document No. 25240883, as assigned to Senior Mortgagee pursuant to a General Assignment, dated April 23, 1982, and recorded in the Recorder's Office on April 23, 1982 as Document No. 26210129, as amended by a Note and Mortgage and Security Agreement Modification Agreement, dated November 30, 1982, but as of July 8, 1982, and recorded in the Recorder's Office on June 9, 1983 as Document No. 26637771 and as modified by a Modification of Note, Mortgage and Security Agreement of even date herewith.

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EXHIBIT C

Description of Subordinate Mortgage

Second Mortgage and Security Agreement with Assignment of Rents from Lane North Shore, Inc. to Harris Trust and Savings Bank, an Illinois banking corporation, dated August 11, 1989, and recorded in the Recorder's Office on August 18, 1989 as Document No. 89380088 as assigned to Senior Mortgagee pursuant to an Assignment and Assumption Agreement, dated January 29, 1993 and recorded in the Recorder's Office on APRIL, 1993 as Document No.

DOCUMENT # _____ DATE _____

Date

4/6/93

Doc #

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