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FOR RECORDERS USE ONLY

DEPT-01 RECORDING \$45.00  
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#4150 JIM \*-95-603088  
COOK COUNTY RECORDER

95603088

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9/8/95  
75 OF 64770  
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Property of Cook County

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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is dated as of the 6th day of September, 1995, by **GENERAL SIGNAL CORPORATION**, a New York corporation ("Junior Lender"), to and for the benefit of **BANK ONE, CHICAGO, NA**, a national banking association ("Lender").

RECITAVS:

A. Lender has agreed to make a loan (the "Loan") to Bhagvan H. Patel ("Borrower") in the amount of \$2,400,000. The Loan is evidenced by a certain Mortgage Note (the "Senior Note") of even date herewith made by Borrower, and payable to the order of Lender in the original principal amount of \$2,400,000. The Senior Note is secured by a Mortgage (the "Senior Mortgage") of even date herewith made by the Borrower in favor of Lender and recorded in the Office of Recorder of Deeds of Cook County, Illinois on September 8, 1995, as Document No. **95603085**, granting a first lien on certain real estate (the "Property") located in Elk Grove Village, Cook County, Illinois and legally described in Exhibit A hereto. As additional security for repayment of the Senior Note, Borrower has also executed and delivered to Lender an Assignment of Rents and Leases and a Security Agreement, (the Senior Note, the Senior Mortgage and all other documents evidencing the Loan, securing repayment of the Senior Note or otherwise executed to induce Lender to make the Loan are hereinafter collectively referred to as the "Senior Loan Documents").

B. Certain indebtedness owing by Borrower to Junior Lender (the "Junior Liabilities") is evidenced by a Promissory Note dated September 6, 1995 made by Borrower and payable to the order of Junior Lender (the "Junior Note") and is secured in part by a

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Second Mortgage dated September 6, 1995 (the "Junior Mortgage"), made by Borrower in favor of Junior Lender and recorded in the Office of Recorder of Deeds of Cook County, Illinois on September \_\_\_\_, 1995 as Document No. \_\_\_\_\_ and encumbering the Property (the Junior Note, the Junior Mortgage and all other documents evidencing, securing or relating to the Junior Loan are hereinafter collectively referred to as the "Junior Loan Documents").

C. As a condition precedent to Lender's making of the Loan, Lender requires (i) that the lien and security interests created by the Senior Mortgage and the other Senior Loan Documents be paramount and prior to the lien and security interests on the Property created by the Junior Mortgage and the other Junior Loan Documents, and (ii) that this Agreement be executed and delivered to Lender.

NOW, THEREFORE, to induce Lender to make the Loan and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Incorporation of Recitals. The Recitals of this Agreement are incorporated herein and made a part hereof by this reference thereto.

2. Subordination of Instruments; Subordination of Debt. The lien and security interests in the Property created by the Junior Mortgage and the other Junior Loan Documents and all payments due to Junior Lender under the Junior Loan Documents shall and are hereby made subject and subordinate to the lien and security interests created by each and every one of the Senior Note, the Senior Mortgage, the Senior Loan Documents, as the same may be modified or amended, to the full extent of the Senior Liabilities (as herein defined) and to all payments due under the Senior Loan Documents. The term "Senior Liabilities" shall mean the original principal amount of the Senior Note, plus all amounts which may be evidenced by any amendment or modification of the Senior Note, plus any and all amounts advanced pursuant to the terms of the Senior Mortgage or otherwise advanced under the provisions of the Senior Loan Documents to preserve the Property, to protect Lender's interests therein or as otherwise permitted therein. Junior Lender represents and warrants to Lender that Junior Lender has been granted no liens or security interests in the Property other than the liens and security interests that have been granted pursuant to the Junior Loan Documents. Junior Lender further agrees that it shall not accept any payments from or on behalf of Borrower following receipt from Lender of any notice of monetary default under the Senior Loan Documents. Any such payments which may be made to Junior Lender in violation of the preceding sentence shall be held by Junior Lender in trust for Lender and immediately forwarded to Lender.

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3. Insurance Proceeds and Claims. Junior Lender shall have no right to participate in the adjustment or settlement of insurance losses and/or condemnation claims with respect to all or any portion of the Property. Junior Lender hereby further agrees, upon the request and at the direction of Lender, to endorse in favor of Lender any and all checks payable to Junior Lender which represent insurance or condemnation proceeds paid for claims relating to the Property in any way. Junior Lender hereby appoints Lender as its attorney-in-fact, in its place and stead to settle all insurance claims relating to the Property and to receive all payments and endorse all checks with regard thereto to the full extent of all amounts secured by the Senior Loan Documents. All insurance or condemnation proceeds received by Lender in excess of the outstanding amounts secured by the Senior Loan Documents shall be promptly remitted to Junior Lender.

4. Notices. Junior Lender shall give to Lender prompt written notice of the occurrence of any default under or with respect to the Junior Mortgage.

5. Payments Following Bankruptcy. In the event of any dissolution, winding up, liquidation, readjustment, reorganization or other similar proceedings relating to Borrower, any guarantor of the Senior Note ("Guarantor") or to their respective property (whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of either of them, or any sale of all or substantially all of the assets of either of them, or otherwise), the Senior Liabilities owing by Borrower to Lender shall first be paid in full before Junior Lender shall be entitled to receive and to retain any payment or distribution of proceeds arising from the Property or the liquidation thereof, and, in order to implement the foregoing (i) all payments and distributions arising from the Property or the liquidation thereof to which Junior Lender would be entitled but for the terms of this Section 5 shall be made directly to Lender; (ii) Junior Lender hereby irrevocably agrees that Lender may, at its sole discretion, in the name of Junior Lender, or otherwise, demand, sue for, collect, receive and receipt for any and all such payments or distributions; and (iii) Junior Lender hereby irrevocably appoints Lender as its agent for purposes of filing, proving, voting or consenting in any such proceedings with respect to, any and all claims of Junior Lender relating to such payments or distributions.

6. Waiver of Notices, Defenses, etc. Junior Lender hereby waives: (i) notice of the non-payment of all or any of the Loan or other amounts due under the Senior Loan Documents, except as otherwise required hereunder; (ii) all claims of a breach of any fiduciary duty by Lender by reason of any action or failure to act by Lender in the collection or protection of or realization upon

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the Senior Liabilities or any part thereof or any security therefor; and (iii) any protest, defense, claim or objection to or in any way relating to any amendment, modification, renewal or extension of the terms of any of the Senior Note, the Senior Mortgage and the other Senior Loan Documents, including without limitation, any extension of time for repayment of the Loan.

7. Commencement of Bankruptcy Proceedings. Junior Lender agrees not to commence (but shall not be prohibited from participating in) any bankruptcy, reorganization or insolvency proceedings with respect to Borrower or Guarantor without obtaining Lender's prior written consent.

8. Action Taken By Lender. Lender may, from time to time, at its sole discretion and without notice to Junior Lender, take any or all of the following actions: (i) retain or obtain a security interest in any property to secure the Loan; (ii) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to the Loan; and (iii) extend, renew (for one or more periods), release, compromise, alter or exchange any obligations of any nature of any obligor with respect to the Loan or the Property.

9. Deed in Lieu of Foreclosure.

(a) Junior Lender hereby covenants and agrees that upon the occurrence of an Event of Default under the Senior Note, the Senior Mortgage or any of the other Senior Loan Documents, Lender may, at its sole discretion, after providing written notice to Junior Lender of such Event of Default and providing Junior Lender with an opportunity to cure such Event of Default within thirty (30) days after the expiration of any applicable grace period expressly provided under the Senior Note, the Senior Mortgage or the other Senior Loan Documents (or if no such grace period is provided, then within thirty (30) days after receipt of the notice of such Event of Default) cause title in and to all or any portion of the Property to be conveyed or assigned to a nominee for the Lender. Such actions may be taken by Lender with or without releasing or extinguishing the Senior Loan Documents or the liens or security interests created thereby and without Lender having any obligation to commence a foreclosure proceeding, be appointed as mortgagee in possession or have a receiver appointed. Junior Lender hereby waives the right to assert any and all claims and defenses against Lender relating to or arising from any action taken by Lender pursuant to this subsection, including without limitation, the right to assert that the Senior Mortgage was merged into any deed or instrument of conveyance to a nominee for Lender. Junior Lender hereby waives any right to have a receiver appointed in connection with any foreclosure action filed by Lender against the Property.

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(b) Junior Lender hereby agrees that the lien of the Junior Mortgage as it pertains to the Property shall, without further action of the parties hereto, be automatically extinguished upon any conveyance or assignment of the Property to Lender or its designee pursuant to a deed in lieu of foreclosure as provided in subsection (a) above. Should Lender elect, Junior Lender, immediately upon demand by Lender, shall execute a release of the Junior Mortgage with respect to the Property in form and substance reasonably acceptable to Lender in the event of such a conveyance or assignment. Should Junior Lender fail to execute such release, then Lender, as attorney-in-fact for the Junior Lender, may execute and record such a release. Junior Lender hereby irrevocably designates, makes, constitutes and appoints Lender (and all persons designated by Lender) as Junior Lender's true and lawful attorney (and agent in fact) with power to execute and record such release on behalf of Junior Lender.

10. Assignment By Lender. Lender may, from time to time, at its discretion and without notice to the Junior Lender, assign or transfer any or all of the Senior Liabilities or any interest therein and/or any or all of the Senior Note, the Senior Mortgage or any of the other Senior Loan Documents, or any interest therein; and notwithstanding any such assignment or transfer or subsequent assignment or transfer thereof, such Senior Liabilities and the Senior Mortgage and the other Senior Loan Documents shall be and remain Senior Liabilities and the Senior Mortgage and the other Senior Loan Documents for the purposes of this Agreement.

11. Notice to Lender and Junior Lender; Forbearance and Right to Cure.

(a) Junior Lender hereby agrees that until the Senior Liabilities have been paid to Lender in full and the Senior Loan Documents have been released, Junior Lender shall not, without giving Lender fifteen (15) days prior written notice and an opportunity to cure the default of Borrower specified in such notice within such period, take any action of any kind to enforce any right or remedy of any kind provided for in the Junior Loan Documents, whether at law or in equity, and specifically including, but not limited to, any proceeding seeking or contemplating foreclosure of the Junior Mortgage. Said notice to Lender may, at Junior Lender's election, be given concurrently with the delivery of notice of default to Borrower.

(b) Lender hereby agrees that until the Junior Liabilities have been paid to Junior Lender in full and the Junior Loan Documents have been released, Lender shall not, without giving Junior Lender fifteen (15) days prior written notice and an opportunity to cure the default of Borrower

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specified in such notice within such period, take any action of any kind to enforce any right or remedy of any kind provided for in the Senior Loan Documents, whether at law or in equity, and specifically including, but not limited to, any proceeding seeking or contemplating foreclosure of the Senior Mortgage. Said notice to Junior Lender may, at Lender's election, be given concurrently with the delivery of notice of default to Borrower.

12. Notices. Any notices which may be given hereunder shall be deemed given if personally delivered and receipted for or two business days after being deposited in the United States mail, certified or registered mail, return receipt requested, properly addressed as follows:

To Junior Lender:

General Signal Corporation  
General Signal Corporation  
One High Ridge Park  
Stamford, Connecticut 06904  
Attn: Mr. Tom Naum

With copy to:

McDermott, Will & Emery  
227 West Monroe Street  
Chicago, IL 60606-5096  
Attn: David P. DeYoe Esq.

To Lender:

Bank One, Chicago, NA  
311 South Arlington Heights Road  
Arlington Heights, Illinois 60005-1930  
Attn: Mr. James Atkinson

With copy to:

Schwartz Cooper Greenberger & Krauss, Chartered  
180 North LaSalle Street  
Suite 2700  
Chicago, Illinois 60601  
Attention: Daniel J. Kopp, Esq.

Either party may at any time and from time to time (by providing notice to the other party in the manner set forth above) designate a different address to which such notices may be sent.

13. No Amendment. Junior Lender shall not amend or modify the Junior Mortgage or any of the other Junior Loan Documents without obtaining the prior written consent of Lender.

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14. Binding Effect. This Agreement shall be binding upon Junior Lender and Lender and their respective successors and assigns, and shall inure to the benefit of Junior Lender and Lender and their respective successors and assigns.

15. Execution of Additional Documents. Junior Lender agrees to execute such further documents or instruments and take such further actions as Lender may reasonably request from time to time to carry out the intent and purpose of this Agreement.

16. Waiver of Rights of Subrogation. Until such time as the Senior Liabilities are paid in full, Junior Lender waives and releases any and all rights of subrogation that it may have or obtain pursuant to the exercise of any right or remedy in connection with the Junior Mortgage that would result in Junior Lender obtaining a priority equal or superior to the priority of the Senior Mortgage or any of the other Senior Loan Documents for any funds which Junior Lender may advance to cure defaults of Borrower or pay claims or satisfy liens which Borrower is otherwise required to pay or satisfy.

17. Governing Law, Interpretation. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois. In the event that any provision of this Agreement is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Junior Lender and Lender shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Agreement and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

18. Termination of Agreement. This Agreement shall automatically terminate and be of no further force or effect upon the payment in full of the Senior Liabilities.

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IN WITNESS WHEREOF, this Agreement has been executed and delivered by Lender and Junior Lender as of the day and year first above written.

GENERAL SIGNAL CORPORATION, a New York corporation

By: [Signature]  
Title: VP Treasurer

BANK ONE, CHICAGO, NA, a national banking association

By: [Signature]  
Title: VP President

This Instrument prepared by, and after recording return to:

Daniel J. Kopp, Esq.  
Schwartz Cooper Greenberger & Krauss, Chtd.  
180 North LaSalle Street  
Suite 2700  
Chicago, Illinois 60601

Permanent Real Estate Tax Index No.  
08-35-104--034,-070,-071

Property Address:  
1717 Busse Road  
Elk Grove Village, Illinois

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## BOX 333-CTI

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## ACKNOWLEDGEMENT

The undersigned acknowledges receipt of a copy of the foregoing Subordination Agreement, waives notice of acceptance thereof by Lender and agrees to be bound by the terms and provisions thereof, to mark its respective books and records so as to clearly indicate that the Junior Liabilities are subordinated to the Senior Liabilities in accordance with the terms of such Subordination Agreement, 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. In the event of any violation of any of the terms and provisions of the foregoing Subordination Agreement by reason of any act or omission within the direct or indirect control of the undersigned, then, at the election of Lender, any and all obligations of the undersigned to Lender shall forthwith become due and payable.

As an inducement to Lender to make the Loan, the undersigned hereby acknowledges and agrees that the occurrence of any default by either of the undersigned under the Junior Loan Documents which is not cured within any applicable grace period expressly provided therein (i) shall constitute an Event of Default under the Senior Note, the Senior Mortgage and the other Senior Loan Documents and (ii) shall entitle Lender to exercise any and all remedies provided in the Senior Note, the Senior Mortgage and the other Senior Loan Documents or otherwise available at law or in equity.

Dated as of September 6, 1995.

9/11/95  
BHAGVAN H. PATEL

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STATE OF <sup>Campbell</sup> ILLINOIS )  
 COUNTY OF <sup>Fairfield</sup> COOK ) SS.

I, Margaret R Fahnstock a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Juan B Jaramba, the Vice President & Secretary of GENERAL SIGNAL CORPORATION, a New York corporation ("Junior Lender"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of Junior Lender, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 5th day of September, 1995.

Margaret R. Fahnstock  
 Notary Public

MARGARET R. FAHNESTOCK  
 NOTARY PUBLIC  
 My Commission Expires May 31, 1999

STATE OF ILLINOIS )  
 ) SS  
 COUNTY OF COOK )

I, \_\_\_\_\_ a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_ the \_\_\_\_\_ of BANK ONE, CHICAGO, NA, a national banking association ("Lender") who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of Lender, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_\_ day of September, 1995.

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

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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, the \_\_\_\_\_ of GENERAL SIGNAL CORPORATION, a New York corporation ("Junior Lender"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of Junior Lender, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_\_ day of September, 1995.

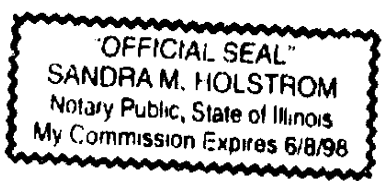
\_\_\_\_\_  
Notary Public

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Sandra M Holstrom, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that James C. Atkinson, the Vice President of BANK ONE, CHICAGO, NA, a national banking association ("Lender") 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/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of Lender, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of September, 1995.

Sandra M Holstrom  
Notary Public



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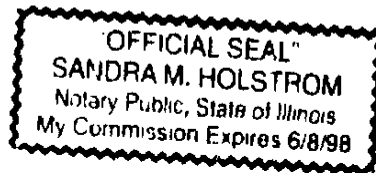
STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK    )

I, Sandra M. Holstrom, a Notary Public in and for said County, in the State aforesaid, do hereby certify that BHAGVAN H. PATEL, the same person whose name is subscribed to the foregoing instrument, 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 6th day of September, 1995.

Sandra M. Holstrom  
NOTARY PUBLIC

(SEAL)



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## EXHIBIT A

THAT PART OF LOT 7 IN CENTEX INDUSTRIAL PARK UNIT 1, BEING A SUBDIVISION IN SECTION 35, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF A LINE DRAWN FROM A POINT ON THE NORTH LINE OF LOT 7 AFORESAID, 205.98 FEET WEST OF THE NORTHEAST CORNER THEREOF, TO A POINT ON THE SOUTH LINE OF LOT 7 AFORESAID, 205.83 FEET WEST OF THE SOUTHEAST CORNER THEREOF; ALSO THE SOUTH 25 FEET OF THAT PART OF LOT 7 LYING EAST OF A LINE DRAWN FROM A POINT ON THE NORTH LINE OF LOT 7 AFORESAID, 205.98 FEET WEST OF THE NORTHEAST CORNER THEREOF, TO A POINT ON THE SOUTH LINE OF LOT 7 AFORESAID, 205.83 FEET WEST OF THE SOUTHEAST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Tax Index Nos. 08-35-104-034, -070, -071

Common Address: 1717 Busse Road, Elk Grove Village, Illinois

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