

THIS DOCUMENT WAS PREPARED BY,
AND AFTER RECORDING, RETURN TO:

Gary K. Fordyce, Esq.
ABN AMRO North America, Inc.
135 South La Salle Street, Suite 920
Chicago, Illinois 60603



PERMANENT TAX INDEX NUMBERS:

- 03-11-407-015-0000
- 03-11-407-017-0000
- 03-11-407-018-0000
- 03-11-407-019-0000

PROPERTY ADDRESS:

44 Century Drive
Wheeling, Illinois 60090

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SUBORDINATION AND ATTORNMENT AGREEMENT

This SUBORDINATION AND ATTORNMENT AGREEMENT is executed as of October 31, 1997 (the "Agreement"), by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, whose address is 33 North La Salle Street, Chicago, Illinois 60690, Attention: Land Trust Department, not personally, but solely as Trustee (the "Trustee") under a Trust Agreement dated September 18, 1986 and known as Trust No. 100055-02 (the "Trust Agreement"), KENNETH J. GENENDER (the "Beneficiary"; the Trustee and the Beneficiary being collectively referred to herein as the "Landlord"), whose address is c/o Genender International, Inc., 44 Century Drive, Wheeling, Illinois 60090, GENENDER INTERNATIONAL, INC., an Illinois corporation (the "Company"), whose address is 44 Century Drive, Wheeling, Illinois 60090, and LASALLE NATIONAL BANK, a national banking association (the "Lender"), whose address is 135 South La Salle Street, Chicago, Illinois 60603.

RECITALS

A. The Trustee is the record owner of the fee simple estate in and to certain real property as more particularly described as Parcel 1 on Exhibit "A" attached hereto and made a part hereof (the "Fee Premises"), and a leasehold estate in certain real property adjacent to, and north of, the Fee Premises, as more particularly described as Parcel 2 on Exhibit "A" (the "Leased Premises"; the Fee Premises and the Leasehold Premises being collectively referred

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to herein as the "Premises"), which Premises are also commonly known as 44 Century Drive, Wheeling, Illinois 60090, and the Beneficiary is the owner of one hundred percent (100%) of the beneficial interest of, and power of direction in, the Trust Agreement.

B. The Trustee has acquired a leasehold estate in the Leased Premises pursuant to that certain Indenture of Lease dated as of September 30, 1997 (as amended from time to time, the "Ground Lease") between the Company, as lessor, and the Trustee, as lessee, wherein the Company has leased to the Trustee the Leased Premises for a term of ninety nine (99) years, and whereon the Trustee will develop and construct an approximately 34,302 square foot addition (the "Project") to the existing building already located on the Fee Premises and owned by the Trustee (the "Existing Facility"), which Existing Facility and Project will be used as a combined office/warehouse.

C. Upon completion of the construction of the Project, the Trustee will lease the Project and the Leased Premises (along with the Fee Premises and the Existing Facility) back to the Company under and pursuant to that certain Facility Lease dated as of September 30, 1997 (along with any and all extensions, modifications, replacements and renewals thereof being collectively referred to herein as the "Facility Lease") between the Trustee, as lessor, and the Company, as lessee.

D. The Lender has previously made a loan (the "Existing Loan") to the Trustee evidenced by that certain Note dated as of December 20, 1993 in the original principal amount of One Million Two Hundred Fifty Thousand and 00/100 Dollars (\$1,250,000.00), executed by the Trustee and made payable to the order of and delivered to the Lender (together with any and all notes issued in renewal thereof or in substitution or replacement therefor being collectively referred to herein as the "Trustee Note"), which obligation is guaranteed by the Company under and pursuant to that certain Continuing Unconditional Guaranty dated as of December 20, 1993 to and for the benefit of the Lender (the "Guaranty").

E. At the present time the Trustee, the Company and the Lender have agreed enter into that certain Construction Loan Agreement dated as of October 31, 1997 (as amended from time to time, the "Loan Agreement"), pursuant to which the Lender will loan to the Trustee and the Company an additional construction mortgage loan (the "Construction Loan"; the Existing Loan and the Construction Loan being collectively referred to herein as the "Loan") to finance the construction of the Project, and which Construction Loan will be evidenced by that certain Mortgage Note dated as of October 31, 1997 in the maximum original principal amount of One Million Three Hundred Eighty Six Thousand Four Hundred Seventy Six and 00/100 Dollars (\$1,386,476.00), to be jointly and severally executed by the Trustee and the Company and made payable to the order of the Lender (together with any and all notes issued in renewal thereof or in substitution or replacement therefor being collectively referred to herein as the "Construction Note"; the Trustee Note and the Construction Note being collectively referred to herein as the "Notes").

F. This Agreement is entered into by the parties hereto with the intention of having the Lender rely thereon in making and disbursing the Loan.

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1. The Landlord, the Company and the Lender hereby agree and acknowledge that rights and interests thereunder, shall be, are hereby made and shall remain completely subject and subordinate to that certain: (i) Mortgage, Security Agreement and Financing Statement dated as of December 20, 1993 from the Trustee to and for the benefit of the Lender and recorded on January 4, 1994 as Document No. 94005295 in the Office of the Recorder of Deeds of Cook County, Illinois, as modified and amended by that certain First Amendment to Mortgage, Security Agreement and Financing Statement dated as of October 31, 1997 between the Trustee and the Lender and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on November _____, 1997 as Document No. 97 _____, and all modifications, replacements and amendments thereof (collectively, the "Existing Mortgage"), which Existing Mortgage encumbers the fee interest of the Trustee in and to the Fee Premises; (ii) Construction Mortgage, Security Agreement and Financing Statement dated as of October 31, 1997 from the Company to and for the benefit of the Lender and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on November _____, 1997 as Document No. 97 _____, and all modifications, replacements and amendments thereof (collectively, the "Leasehold Mortgage"), which Leasehold Mortgage encumbers the leasehold interest of the Trustee in and to the Leasehold Premises; (iv) Assignment of Rents and Leases dated as of October 31, 1997 from the Company to and for the benefit of the Lender and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on November _____, 1997 as Document No. 97 _____, and all modifications, replacements and amendments thereof (collectively, the "Leasehold Assignment of Rents"), which Leasehold Assignment of Rents encumbers the fee interest of the Company in and to the Leasehold Premises; (v) Assignment of Rents and Leases dated as of December 20, 1993 from the Landlord to and for the benefit of the Lender and recorded on January 4, 1994 as Document No. 94005296 in the Office of the Recorder of Deeds of Cook County, Illinois, as modified and amended by that certain First Amendment to Assignment of Rents and Leases dated as of October 31, 1997 between the Landlord and the Lender and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on November _____, 1997 as Document No. 97 _____, and all modifications, replacements and amendments thereof (collectively, the "Existing Assignment of Rents"), which Existing Assignment of Rents encumbers the fee interest of the Landlord in the Fee Premises and the leasehold interest of the Landlord in and to the Leasehold Premises; and (vi) all other documents now or hereafter securing the Loan (the Loan Agreement, the Notes, the Existing Mortgage, the Fee Mortgage, the Leasehold Mortgage, the Leasehold Assignment of Rents, the Existing Assignment of Rents and all other documents being collectively referred to herein as the "Loan Documents"), to the same extent as if the Loan Documents had been executed, delivered and recorded prior to execution of the Ground Lease and the Facility Lease.

WARRANTIES, COVENANTS and AGREEMENTS

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2. The Lender and the Company each agree that it will not, after the date hereof, subordinate the Ground Lease and/or the Facility Lease to any mortgage, deed of trust or other lien encumbering the Premises, other than the Loan Documents, without first obtaining the written consent of the Lender.

3. The Lender and the Company hereby acknowledge and agree that the Lender shall have the right at any time to elect, by a notice in writing given to the Lender and the Company, to make either or both of the Ground Lease and the Facility Lease superior to the Loan Documents, and, upon the giving of such notice to the Lender and the Company, the Ground Lease and the Facility Lease shall be deemed to be prior and superior to such Loan Documents and the interest thereby created and evidenced.

4. The Ground Lease and the Facility Lease shall not, after the date hereof, be terminated, surrendered, renewed (except as specifically permitted by the Ground Lease and the Facility Lease, respectively), or modified without first obtaining the prior written consent of the Lender, and rent under the Facility Lease shall not be paid more than one month in advance.

5. The Company hereby acknowledges that the interest of the Lender under the Facility Lease shall be assigned to the Lender solely as security for the Loan, and the Lender (a) shall not be liable for any claims for damages or seoffs arising out of the Lender's interest in the Facility Lease or the Premises, for the return of any security deposit unless it has specifically been received by the Lender, for any act committed by the Lender or any breach or failure to perform by the Lender, and (b) shall not be obligated by reason of the Loan Documents or the exercise of any rights granted therein to perform any obligation of the Lender under the Facility Lease.

6. In the event of any default by either the Company or the Trustee under the Ground Lease, the Trustee and the Company shall promptly give written notice of such default to the Lender and, in such event and prior to remedies under the Ground Lease or otherwise with respect to such default, the Lender shall have the right, but not the obligation, to cure such default within thirty (30) days following the receipt of such notice (except that if the Lender cannot reasonably cure such default within such thirty day time period, such period shall be extended for a reasonable additional period of time, provided that the Lender commences to take action in order to cure such default within such additional period and proceeds diligently thereafter to effect such cure), and, if the Lender does cure such default, then the Ground Lease shall remain in full force and effect.

7. In the event of any default by the Lender under the Facility Lease, the Company shall promptly give written notice of such default to the Lender and, in such event and prior to the exercise by the Company of any of its rights or remedies under the Facility Lease or otherwise with respect to such default, the Lender shall have the right, but not the obligation, to cure such default within thirty (30) days following the receipt of such notice (except that if the Lender cannot reasonably cure such default within such thirty day time period, such period shall be extended for a reasonable additional period of time, provided that the Lender commences to take action in order to cure such default within such additional period and proceeds diligently

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thereafter to effect such cure), and, if the Lender does cure such default, then the Facility Lease shall remain in full force and effect.

8. Provided the Company has not been joined by Lender as an adverse party defendant in any action or proceeding which may be instituted or commenced by Lender to foreclose or enforce the Loan Documents and notwithstanding the subordination of the Ground Lease and the Facility Lease as aforesaid, in the event that the Lender or any other party succeeds to the rights of the Landlord under the Facility Lease (the "Successor Landlord"), whether through foreclosure, the acceptance of a deed in lieu of foreclosure or any possession, surrender, assignment, judicial action or any other action taken by the Lender, then upon the written request by the Lender to do so, the Company will agree that (a) it shall attorn to, and be liable to and recognize the Successor Landlord as the lessor under the Facility Lease for the balance of the term of the Facility Lease upon and subject to all the terms and conditions of this Agreement and of the Facility Lease; (b) thereafter, it shall make payments of rent (minimum, basic, percentage, additional or otherwise) to the Successor Landlord, and otherwise perform all of the Company's obligations set forth in the Facility Lease; (c) the Successor Landlord shall be responsible only for the performance of those of the Landlord's obligations to be performed under the Facility Lease during the period of the Successor Landlord's ownership; and (d) the Company shall look solely to the interest of the Successor Landlord in the Premises for recovery of any judgment, it being specifically agreed that neither the Successor Landlord, nor the Lender, nor anyone claiming under the Successor Landlord or the Lender, shall ever be personally liable for the lessor's obligations under the Facility Lease or any such judgment in connection therewith.

9. The Company agrees that on the written request of the Lender made from time to time, the Company will promptly execute and deliver to the Lender an estoppel certificate addressing such matters pertaining to the Ground Lease and the Facility Lease as the Lender may request.

10. Whenever any of the parties hereto desires to give any notice to any of the others under this Agreement, it shall be sufficient for all purposes if such notice is hand delivered, sent by overnight courier or registered or certified United States mail, postage prepaid, return receipt requested, addressed to the addresses set forth above.

11. This Agreement shall inure to the benefit of and shall be binding upon the Company, the Landlord, the Lender and their respective heirs, personal representatives, successors and assigns. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not contained herein. This Agreement shall be governed by and construed according to the laws of the State of Illinois.

12. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Mortgage, except as specifically set forth herein.

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13. Notwithstanding anything contained herein or in the other Loan Documents, the liability of the Beneficiary, if any, hereunder and under the Loan Agreement, the Note and/or any of the other Loan Documents shall be limited to, and satisfied from, the Premises and the proceeds thereof, the rents and all other income therefrom, the other assets of the Beneficiary arising out of the Premises which are given as collateral for the Loan Agreement and the Note, and any other collateral given in writing to the Lender as security for the repayment of the Note (all of the foregoing being collectively referred to as the "Loan Collateral"); provided, however, that nothing contained in this section shall (i) preclude the Lender from foreclosing the lien of the Loan Documents or from enforcing any of its rights or remedies in law or in equity against the Company, the Trustee or, except as limited by this section, the Beneficiary; (ii) constitute a waiver of any obligation evidenced by the Note or secured by any of the Loan Documents; (iii) limit the right of the Lender to name the Company, the Trustee or the Beneficiary as a party defendant in any action brought under this Agreement, the Loan Agreement, the Note or any of the other Loan Documents, so long as execution on any judgment against the Beneficiary is limited to the Loan Collateral; (iv) prohibit the Lender from pursuing all of its rights and remedies against any guarantor or surety; (v) limit the personal liability of the Company or the Beneficiary or any shareholder of the Company, to the Lender for misappropriation or misapplication of funds, fraud, waste, willful misrepresentation or willful damage to the Premises, or a violation of any of the Loan Documents relating to environmental matters; or (vi) preclude the Lender from recovering from the Company under the Environmental Indemnity Agreement date as of October 31, 1997.

14. This instrument is executed by American National Bank and Trust Company of Chicago, not personally, but as Trustee, as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants and conditions to be performed by American National Bank and Trust Company of Chicago are undertaken by it solely as Trustee, as aforesaid, and not individually and all statements herein made are made on information and belief and are to be construed accordingly, and no personal liability shall be asserted or be enforceable against American National Bank and Trust Company of Chicago by reason of any of the terms, provisions, stipulations, covenants and/or statements contained in this Agreement.

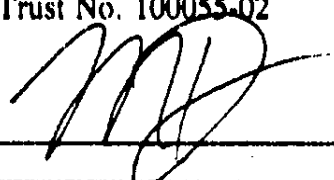
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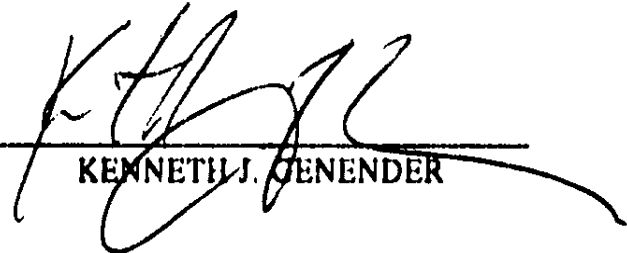
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IN WITNESS WHEREOF, the parties hereto have caused this Subordination and
Attornment Agreement to be duly executed as of the day and year set forth above.

Landlord:

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
as Trustee of Trust No. 100055-02

By: 
Name: _____
Title: _____

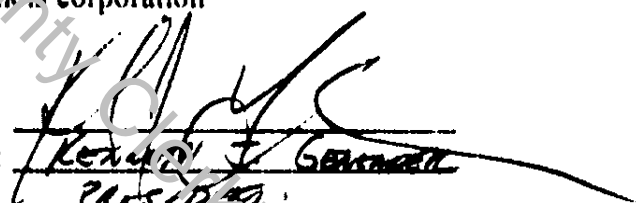

KENNETH J. GENENDER

Company:

GENENDER INTERNATIONAL, INC.,
an Illinois corporation

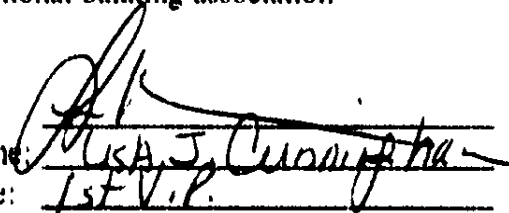
ATTEST:

By: Leonard Genender
Name: LEONARD GENENDER
Its: SECRETARY

By: 
Name: Kenneth J. Genender
Its: PRESIDENT

Lender:

LASALLE NATIONAL BANK,
a national banking association

By: 
Name: Lisa J. Cunningham
Title: 1st V.P.

GKF:jh
November 14, 1997
73271.1

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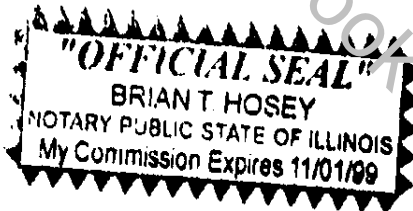
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, the _____, of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, as trustee as aforesaid, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____, he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said banking association, as trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26 day of November, 1997.

Brian T. Hosey

Notary Public



My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that KENNETH J. GENENDER, who is personally known to me to be 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, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20 day of November, 1997.



Jerald E. Kushnir

Notary Public

My Commission Expires: MAY 21, 2001

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that KENNETH J. GENENDER, the PRESIDENT, and LEONARD GENENDER, the SECRETARY, of GENENDER INTERNATIONAL, INC., an Illinois corporation, who are 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 severally acknowledged that as such PRESIDENT and SECRETARY, they signed and delivered the said instrument as their 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 20th day of November, 1997.

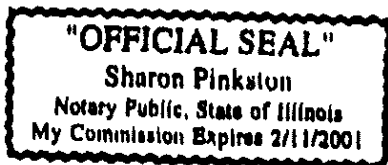


[Signature]
Notary Public
My Commission Expires: May 31, 2001

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Lisa J. Cunningham, a First 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, appeared before me this day in person and acknowledged that as such First Vice President, he/she signed and delivered the said instrument as his/her 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 14th day of November, 1997.



[Signature]
Notary Public
My Commission Expires: 2/11/2001

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EXHIBIT "A"

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1 (Fee Premises):

LOTS 54, 55 AND 56 IN PALWAUKEE BUSINESS CENTER UNIT THREE, BEING A SUBDIVISION IN THE SOUTH EAST QUARTER OF SECTION 11, TOWNSHIP 42, NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2 (Leasehold Premises):

LOT 52 IN PALWAUKEE BUSINESS CENTER UNIT THREE, BEING A SUBDIVISION IN THE SOUTH EAST QUARTER OF SECTION 11, TOWNSHIP 42, NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PROPERTY ADDRESS OF REAL ESTATE:

44 Century Drive
Wheeling, Illinois 60090

PERMANENT TAX IDENTIFICATION NUMBER:

03-11-407-015-0000 (affects Lot 52)
03-11-407-017-0000 (affects Lot 54)
03-11-407-018-0000 (affects Lot 55)
03-11-407-019-0000 (affects Lot 56)

GKF:jh
October 15, 1997
73271.1

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