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Cook County Recorder \$1.50

RECORDING REQUESTED BY,
WHEN RECORDED, MAIL TO:
ARCS COMMERCIAL MORTGAGE CO., L.P.
26901 AGOURA ROAD, STE 200
CALABASAS HILLS, CALIFORNIA 91301
ATTN: Closing
ARCS #224936

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT made and entered into this 6th of July, 1998, by and between Laundryland Route (hereinafter referred to as Lessee"), and ARCS COMMERCIAL MORTGAGE CO., L.P., a limited partnership (hereinafter referred to as "Lender").

WHEREAS, Lessee has heretofore entered into a Lease (hereinafter referred to as "Lease") dated October 1, 1989, by and between itself and Planned Property Management (hereinafter referred to as "Lessor"), as Lessor and Lessee and relating to certain real property (hereinafter referred to as the "Property"), located at 2630 North Hampton Court, Chicago, Illinois, in Cook County, which is more fully described in Exhibit "A" attached hereto, and by this reference incorporated herein as though fully set forth.

WHEREAS, concurrently herewith, the Lender is making a loan to the Lessor or his successor in interest which is to be evidenced by a promissory note and said note dated July 6, 1998, payable to the order of the Lender in the original principal amount of Three Million and no/100's (\$3,000,000.00) Dollars and which is secured by, among other things, a deed of trust, assignment of rents and security agreement (hereinafter referred to as "deed of trust") and all dated July 6, 1998, made by Lessor or his successor in interest in favor of Lender, covering Lessor's interest in the Property as well as the other property described therein.

WHEREAS, as a condition of making the loan referenced to above, Lender has required that in accordance with its demands, Lessee shall subordinate Lessee's interest in the Property under the Lease to the lien of the deed of trust and for the Lessee to agree to attorn to the purchaser in any foreclosure sale of the Demised Premises held under the deed of trust.

WHEREAS, in order to induce Lender to make the loan described above to Borrower, and in consideration for the Lessee's agreement to subordinate Lessee's interest in the Property under the Lease to the lien of the deed of trust and to attorn to any purchaser at a foreclosure sale of the Property held under the deed of trust, the Lender agrees on behalf of itself and any successors or purchasers of the Property at such foreclosure sale to recognize Lessee's interest and its Lease, and not to disturb Lessee's possession of the Property under the Lease upon such foreclosure so long as Tenant is not in default under the Lease at that time.

-TAT # 14-28-318-023, 023+024

1st AMERICAN TITLE order # CC 164 539 4/9/98

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NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lender hereby covenant and agree as follows:

1. The Lease and all of Tenants rights, title, and interest in and to the Property thereunder shall be, and the same are hereby expressly made subject to, subordinate and inferior to the deed of trust, and the lien thereof, on the hereinafter related terms and conditions.

2. Lessee shall attorn to the purchaser or grantee upon any such foreclosure and sale or deed in lieu of foreclosure and shall recognize such a purchaser or grantee as the Lessor under said Lease.

3. In the event of (i) a foreclosure and sale or other suit, sale or proceeding under the deed of trust, judicial or non-judicial, or (ii) a deed in lieu of foreclosure is given, Lender hereby covenants that so long as Lessee is not in default under said Lease, that Lessee's possession of the leased premises and its rights under said Lease shall not be interfered with by Lender or any successor or assign, and any such purchaser or grantee shall recognize the Lessee and the Lessee's interest thereunder, and observe and agrees to be bound by the Lease terms and conditions.

4. Whether or not the Lessee is in default under the lease, under no circumstances and at no time shall the Lender's deed of trust be construed as nor shall it in fact cover or in any way encumber, lien or cloud any trade fixtures or equipment used by Lessee in its business on the Property.

5. This Subordination Agreement shall be binding upon and inure to the benefit of the successors and/or assigns of the parties hereto.

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IN WITNESS WHEREOF, the parties have each caused this Subordination Agreement to be executed on its behalf on the date and year first above written, and each declares to the other, its full authority and power to enter into this Agreement.

"LESSEE"

"LENDER"

Laundryland Route

ARCS Commercial Mortgage Co., L.P.
a California limited partnership
By: ACMC Realty, Inc.
a California corporation
Its: General Partner

By: [Signature]
Its: PARTNER

By: [Signature]
Harold C. Rose
Its: Executive Vice President

Subscribed and sworn to this 20th day of April.

[Signature]
NOTARY

~~~~~  
"OFFICIAL SEAL"  
Lisu Weinstein  
Notary Public, State of Illinois  
My Commission Expires 04/11/99  
~~~~~

Property of Cook County Clerk's Office

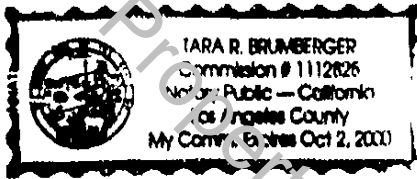
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

95601851

State of California
 County of Los Angeles
 On 7-6-98 before me, Tara R. Brumberger
(Date) (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))
 personally appeared Kathy Millhouse
(Name(s) of Signer(s))

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Tara R. Brumberger
(Signature of Notary Public)

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

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