

Prepared by/Mail to:  
Allen C. Wasolowski  
Martin & Karcazes, Ltd.  
10 N. LaSalle Street  
Chicago, IL 60602

~~2-2-98~~  
606334

SUBORDINATION AGREEMENT

WHEREAS, MIRBAT KHAN, along with others (hereinafter collectively called "Borrower") seeks to borrow money from Plaza Bank (hereinafter called "Lender") and Lender is willing to lend said sum;

WHEREAS, in order to induce Lender to make said loan, Borrower wishes to secure this loan with a mortgage in favor of the Lender upon the real estate commonly known as 548 N. Milwaukee, Wheeling, IL (hereinafter called the "Property") and legally described as follows:

SEE EXHIBIT A HERETO

and by a security interest in all of the Borrower's furniture, fixtures and equipment located at the property (hereinafter called "personalty").

WHEREAS, BREX, INC., an Illinois corporation, (hereinafter called "Tenant") holds a leasehold interest upon the Property and personalty, by virtue of a lease dated January 12, 1998. (hereinafter called "Lease").

WHEREAS Lender requires Tenant to subordinate its leasehold interest in the Property and personalty by virtue of the Lease, INCLUDING THE OPTION TO PURCHASE, in favor of the Lender's Mortgage dated February 17, 1998 and security interest in said personalty which secures a note in the original principal amount of \$580,000.00 (collectively, the "Mortgage");

WHEREAS Tenant is willing to subordinate its leasehold interest in the Property and personalty, INCLUDING THE OPTION TO PURCHASE;

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

1. Tenant acknowledges and agrees that its leasehold interest in the Property is hereby declared to be subject and subordinate to the Mortgage, and any and all amendments,

BOX 333-CTI

modifications, renewals, or replacements thereof, and shall remain subordinate to the mortgage interest of the Lender as long as any sums advanced by lender and secured by Lender's mortgage remain unpaid; provided, however, that the principal thereof, excluding costs of collection, shall not exceed \$500,000 without Tenant's consent.

2. Lender does hereby agree that the rights of Tenant under the lease, including the option to extend the lease, the option to purchase and the right of first refusal, shall remain in full force and effect and its possession of the premises thereunder shall remain undisturbed during the term of the lease, provided Tenant shall have performed and shall continue to perform all of the covenants and conditions of the lease to be by it performed and shall not be in default thereunder beyond any grace periods in the lease.

3. In the event Lender shall obtain title to the property through foreclosure proceeding or deed in lieu of foreclosure, or if Lender or any other party shall succeed to the rights of Borrower under the lease, whether through possession or foreclosure action or otherwise, then at the request of such party so succeeding to Borrower's rights (herein sometimes called "Successor-Lessor") and upon delivery to Tenant of evidence reasonably sufficient to verify such succession and such Successor-Lessor's written agreement to accept Tenant's attornment and to recognize this lease and Tenant's options therein contained, Tenant shall attorn to and recognize such Successor-Lessor as Tenant's landlord under the lease, and shall promptly execute and deliver any instrument reasonably acceptable to Tenant that such Successor-Lessor may request to evidence such attornment. Upon such attornment this lease shall continue in full force and effect as, or as if it were, a direct lease between such Successor-Lessor and Tenant upon all of the terms, conditions and covenants as are set forth in the lease and the same shall be applicable after such attornment.

4. Lender acknowledges and agrees that so long as Tenant is not in default under the terms of the lease beyond any grace or cure periods provided therein, Tenant's leasehold interest in the Property and personalty, including Tenant's options to extend the term or purchase the Property and personalty and Tenant's right of first refusal shall not be disturbed during the term of the leasehold. Without limiting the foregoing, so long as Tenant is not in default under the terms of such Lease beyond any grace or cure periods provided therein, such options to extend and purchase the Property and such right of first refusal shall be binding upon Lender or any other person, party, or entity which becomes the owner of the Property and personalty as a result of a foreclosure sale or deed in lieu of foreclosure and their respective heirs, personal representatives, successors and assigns.

5. Tenant acknowledges that Borrower is not in default under any terms or conditions of the lease, beyond any cure or grace period in the lease and that Tenant shall give written notice to Lender of any future default by Borrower which remains beyond any cure or grace period in the lease. Tenant's failure to give timely written notice to Lender shall constitute a waiver of its right to seek a credit from Lender as successor in interest to Borrower under the Lease as a result of any such future default.

6. Tenant acknowledges that it has not prepaid rent and agrees that it shall not prepay rent to Borrower more than 30 days in advance without the written consent of Lender.

7. Tenant and Borrower acknowledge that Tenant has not paid a security deposit under the terms of the lease, and Tenant acknowledges and agrees that Lender shall not be liable to Tenant for any security deposit paid in the future unless the security deposit amount has been tendered to Lender by Borrower.

8. Tenant acknowledges and agrees that as of the date of this Agreement it has performed no leasehold improvements to which it is entitled to a credit pursuant to the terms of the lease and that it will not perform any leasehold improvements for which it will seek a credit under the terms of the lease without the prior written consent of Lender. Lender's address for such consent is 7460 W. Irving Park Road, Norridge, Illinois 60634. Tenant acknowledges and agrees that its failure to submit a written request for prior consent to Lender and to obtain that prior written consent from Lender before making any future leasehold improvements shall constitute a waiver of its right to seek a credit from Lender as successor in interest to Borrower under the Lease.

9. Lender acknowledges and agrees that if Tenant purchase the Property pursuant to the option to purchase or the right of first refusal contained in the Lease, Lender shall release the Mortgage upon tender to Lender of the lesser of the net proceeds from the sale or such lesser amount as Lender may agree upon to be applied to the outstanding obligation owed by Borrower to Lender under the Mortgage and Borrower agrees that Tenant may pay directly, or direct any closing escrowee to pay directly, such proceeds to Lender. As used herein, "net proceeds" shall mean the purchase price less payment of usual and customary costs of sale including but not limited to title, survey, broker, escrow, recording and other customary closing costs including proration for real estate taxes, rentals and other similar items. Debt to other lenders shall not be a deduction for determining net proceeds.

9. This Agreement shall be construed according to the laws of the State of Illinois.

10. This Agreement may be signed in counterpart.

11. This Agreement shall be binding upon and inure to the benefit of the undersigned and their respective heirs, personal representatives, successors and assigns, including but not limited to any purchasers of the Property through a foreclosure sale or otherwise and their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF the undersigned has hereunto set its hand, as of the 17th day of February, 1998.

Attest:

Marc W. Nakitt  
Its ~~Secretary~~ Vice-President

PLAZA BANK

By: Paul Gay  
Its Vice President

BREX, INC.

Attest:

[Signature]  
Its Ass. Secretary

By: [Signature]  
Its President

\_\_\_\_\_  
MIRBAT KHAN

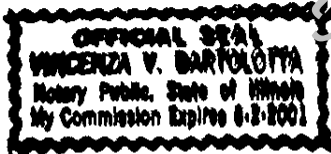


Property of Cook County Clerk's Office

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, VINCENZA V. BARTOLOTTA, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me, PAUL GARGANO and Matthew [unclear], personally known to me to be the same persons whose names are subscribed to the foregoing instrument and personally known to me to be the VICE-PRESIDENT and VICE-PRESIDENT of PLAZA BANK and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and deed, for the uses and purposes therein set forth, and that the seal affixed to the foregoing instrument is the corporate seal and the said instrument was signed, sealed and delivered in the name and in behalf of said corporation as the free and voluntary act of said corporation for the uses and purposes set forth.

Given under my hand and notarial seal this 17<sup>th</sup> day of February, 1998.



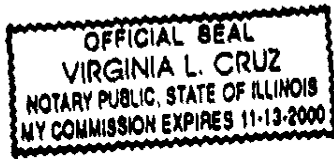
Vincenza V. Bartolotta  
Notary Public

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, VIRGINIA L. CRUZ, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me, JAMES T. SABELL and DAVID J. TOLIVATE, personally known to me to be the same persons whose names are subscribed to the foregoing instrument and personally known to me to be the President and ASSISTANT Secretary of BREX, INC. and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and deed, for the uses and purposes therein set forth, and that the seal affixed to the foregoing instrument is the corporate seal and the said instrument was signed, sealed and delivered in the name and in behalf of said corporation as the free and voluntary act of said corporation for the uses and purposes set forth.

Given under my hand and notarial seal this 26<sup>th</sup> day of February, 1998.

Virginia L. Cruz  
Notary Public



10. This Agreement may be signed in counterpart.

11. This Agreement shall be binding upon and inure to the benefit of the undersigned and their respective heirs, personal representatives, successors and assigns, including but not limited to any purchasers of the Property through a foreclosure sale or otherwise and their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF the undersigned has hereunto set its hand, as of the 17th day of February, 1998.

PLAZA BANK

Attest:

\_\_\_\_\_  
Its Secretary

By: \_\_\_\_\_  
Its President

BREX, INC.

Attest:

\_\_\_\_\_  
Its Secretary

By: \_\_\_\_\_  
Its President

\_\_\_\_\_  
MIRBAT KHAN

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

STATE OF ILLINOIS ) *MIR*  
 ) SS.  
COUNTY OF COOK ) *LAKE*

I, Michael L. Ralph, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me, MIRBAT KHAN, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21<sup>st</sup> day of February, 1998.

Michael L. Ralph  
Notary Public



Property of Cook County Clerk's Office



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## EXHIBIT A

### LEGAL DESCRIPTION

The part of the North 168.27 feet, lying West of the Center of Milwaukee Avenue of Lot 4 in the Resubdivision of George Strongs Farm in Section 2 and the West half of Section 1, Township 42 North, Range 11, East of the Third Principal Meridian, described as beginning at the intersection of the center line of Milwaukee Avenue and the South line of the North 168.27 feet of said Lot 4; thence West parallel to North line of said Lot 4, 388.5 feet; thence North at right angles to said North line of Lot 4, 100 feet; thence East parallel to said North line of Lot 4, 352 feet to the center of said Milwaukee Avenue; thence Southerly along the center of Milwaukee Avenue 106.45 feet to the point of beginning (except that part conveyed by Document 23298274 to the County of Cook, described as follows: That part of Lot 4 in the Resubdivision of George Strong's Farm in Section 2 and the West half of Section 1, Township 42 North, Range 11 East of the Third Principal Meridian bounded and described as follows: Beginning at the intersection of the center line of Milwaukee Avenue with the South line of the North 168.27 feet of said Lot 4; thence West on said South line to its intersection with a line 50 feet Southwesterly of and parallel with the center line of Milwaukee Avenue aforesaid; thence Northwesterly on said parallel line to the North line of the South 100 feet of the North 166.27 feet aforesaid; thence East on said North line to the center line of said Milwaukee Avenue; thence Southerly, on said center line, 106.45 feet to the place of beginning (excepting therefrom that part falling in Milwaukee Avenue), in Cook County, Illinois.

PIN: 03-02-200-045

Address: 548 North Milwaukee  
Wheeling, Illinois