

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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SUBORDINATION AGREEMENT
MARGARET H. COOPER AND
RECORDER

This Subordination Agreement ("Agreement") is made this 26th day of September, 1996 by and between REILLY MORTGAGE GROUP, INC., a Virginia Corporation, whose address is 2000 Corporate Ridge, Suite 925, McLean, Virginia 22102 ("Lender"), and Macke Laundry Service, an Illinois limited partnership, Midwest, L.P. whose address is 124B Messner, Wheeling, Illinois 60090 ("Tenant").

RECITALS:

- A. Tenant, as successor in interest to Interstate Laundries, Inc., has entered into a Standard Laundry Room Lease dated December 15, 1989 ("Lease") with The O'Brien Family Limited Partnership, an Illinois limited partnership ("Landlord"), as successor in interest to Dacon Management Corporation, covering certain premises more fully described in the Lease ("Premises"), which premises are a part of that certain real property located in the City of Hammond, Lake County, Indiana ("Property"); and
- B. Lender has made a loan to Landlord in the sum of \$4,000,000.00 secured by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement on the Landlord's interest in the Property (the foregoing, including any riders thereto, are referred to collectively herein as the "Security Instrument"), recorded in the official records of Lake County, Indiana.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound hereby, promise, covenant and agree as follows:

- 1. The Lease and all estates, rights, options, liens and charges therein contained or created under the Lease are and shall be subject and subordinate to the lien and effect of the Security Instrument insofar as it affects the real and personal property of which the Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon.
- 2. Tenant confirms and certifies that Landlord is not in default under the terms of the Lease.
- 3. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.
- 4. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Property is located.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date and year first above written.

LENDER:

REILLY MORTGAGE GROUP, INC.

By: Brian E. Marion
Name: Brian E. Marion
Title: Vice President

TENANT:

Macke Laundry Service
By: Thomas A. O'Brien
Name: THOMAS A O'BRIEN
Title: Vice President

1st bond # 96064414

FC 18380

Mtg # 96064413

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