

SUBORDINATION



THIS SUBORDINATION ("Subordination") is _____s 18th, day of May, 2000 by the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, Chicago, Illinois 60602 ("City").

RECITALS

WHEREAS, the City Council of the City, by ordinance adopted October 2, 1995, established the City Lots for City Living Program ("Program") to facilitate the construction of affordable new, high quality, owner-occupied or rental housing within the City; and

WHEREAS, Fahey and Roslyn Clark ("Mortgagors") purchased from Cornell Partners Limited Partnership a single family home ("Single Family Home") improving that certain property redeveloped by Cornell Partners Limited Partnership pursuant to the objectives of the City Lots for City Living Program which is commonly known as 6935 S. Cornell, Chicago, Illinois ("Property") and legally described on Exhibit A attached hereto; and

WHEREAS, at closing, and as a pre-condition to the purchase of the Property by Mortgagors, the Mortgagors executed that certain Mortgage, Security and Recapture Agreement in favor of the City dated as of February 7, 1997 and recorded with the Office of Recorder of Deeds of Cook County, Illinois on March 10, 1997 as document #97161444 ("City Mortgage"); and

WHEREAS, the Mortgagors seeks to cause additional construction work ("Improvement Work", as defined below) to be undertaken with regard to their Single Family Home, such additional work as described more fully below; and

WHEREAS, in order to facilitate the financing of the Improvement Work, the City shall subordinate to the pertinent mortgage as described herein; NOW, THEREFORE, the City agrees as follows:

1. The City Mortgage shall be subject and subordinate, in all respects to that certain mortgage dated as of 07 JUNE, 2000 between Mortgagors and First Union Home Equity Bank ("Lender"), recorded with the Office of the Recorder of Deeds of Cook County,

STEWART TITLE OF ILLINOIS
2 N. LA SALLE ST. SUITE 1820
CHICAGO, ILLINOIS 60602

1070109

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CHICAGO TRIBUNE
547 N. STATE ST. CHICAGO, ILL. 60610
PLEASE RECYCLE

Property of Cook County Clerk's Office

UNOFFICIAL COPY 004696g4

Illinois on _____ 2000 as document # 004696g3 to secure indebtedness in the principal amount of sixteen thousand, dollars, ("\$16,000.00"). ("First Union Home Equity Bank").

2. Mortgagors covenant to the City that the loan proceeds described in the preceding paragraph shall be utilized by Mortgagors solely to cause the following improvements (hereinafter referred to as the "Improvement Work") to be made to the Single Family Home: Replace front picture window and rubber roof over front bay window; check roof-bay window area for structural damage; remodel basement including drywall, electrical outlets, finish prime and paint; partition off furnace area; install dropped ceiling; create basement closet; create basement bathroom. Any other use of the loan proceeds shall be strictly prohibited without the express written approval of the City, and any such unpermitted use of the loan proceeds shall be considered an event of default under the City Mortgage.

3. The City (through its Department of Housing) shall be advised in writing by Mortgagors of the substantial completion of the Improvement Work. The City and Mortgagors shall thereafter schedule an inspection by the City of the Improvement Work to determine Mortgagors compliance with terms and conditions of this Subordination. Failure of Mortgagors to comply with the provisions of this paragraph 3 shall also be considered an event of default under the City Mortgage.

4. The City Mortgage shall also be subordinate to any subsequent mortgage that replaces, renews or extends the First Union Home Equity Bank.

IN WITNESS WHEREOF, the undersigned has caused this Subordination to be executed as of the day and year first above written.

CITY OF CHICAGO,
an Illinois municipal corporation



By: _____

John G. Markowski
Commissioner
Department of Housing

Prepared by and,
after recording,

First Union Home Equity Bank, NA
8740 Research Drive # C
Charlotte, NC 28288-0097

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY:

All that certain parcel or parcels of land located in the City of Chicago, County of Cook, State of Illinois, more particularly described as follow:

LOT 11 IN BLOCK 2 IN HAMBLETON'S SUBDIVISION OF LOT 2 IN SUPERIOR COURT PARTITION OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 6935 S. Cornell Avenue
Chicago, Illinois

Permanent Index Number: 20-24-317-010-0000

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00469684

STATE OF ILLINOIS)

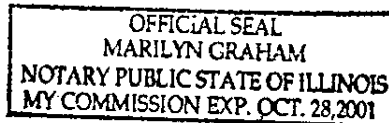
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COUNTY OF COOK)

I, MARILYN GRAHAM, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John G. Markowski, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago, and personally known to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and being first duly sworn to me acknowledged that as Commissioner of the Department of Housing, delivered the said instrument pursuant to authority given by the City of Chicago, as his free and voluntary act, and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19th day of May, 2000.

Marilyn Graham
Notary Public

(Seal)



My commission expires
