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Project #65
C.D.B.G. Project #94007

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Cook County Recorder 27.50



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SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made and entered into this 26th day of September, 2000, by and between the Option One Mortgage Corporation (the "Lender") and Cynthia S. Pryor (the "Mortgagor") as follows:

1. The City of Calumet City is the present legal holder and owner of a certain mortgage dated August 9, 1996 from Cynthia S. Pryor, as Mortgagor (the "Borrower"), to the City of Calumet City, as Mortgagee, recorded in Cook County, Illinois as Document Number 96975638 and concerning real property in Cook County, Illinois commonly known as 802 State Line Road, Calumet City, Illinois, and which is legally described as follows:

The South 5 feet of Lot 20 and Lots 21 and 22 in Block 6 in Fairview Addition in the fractional Section 17, Township 36 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois

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which mortgage secures the payment of a note in the original principal sum of One Thousand Eight Hundred Ninety Dollars (\$1,890.00) plus advances in the amount of -0- Dollars (\$-0-), executed by the City of Calumet City and made payable to the City of Calumet City.

2. a. That the City of Calumet City, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, hereby agrees to waive the priority of the lien of the mortgage described in paragraph 1 of this Agreement, but only insofar as the following described mortgage is concerned but not otherwise:

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That certain mortgage dated the 2nd day of October, 2000, and recorded as Document Number 00789041 in the Cook County Recorder's Office on the ____ day of _____, 2000, from Cynthia S. Pryor, as Mortgagor, to Option One Mortgage Corporation, as Mortgagee, which said mortgage secures the payment of a note in the amount of Eighty-Eight Thousand Two Hundred Dollars (\$88,200.00) dated the 2nd day of October, 2000 (the "Lender's debt").

b. That the Lender's debt shall be defined to include not only the principal sum of Eighty-Eight Thousand Two Hundred Dollars (\$88,200.00), but also any and all interest, late charges, attorney's fees, advances for real estate taxes or insurance made pursuant to the terms of the said mortgage necessary to preserve the Lender's lien. The terms of the note and mortgage are incorporated herein by reference as if fully set out herein.

3. The City of Calumet City warrants to the Lender as follows:

a. That the execution of the note and mortgage to Lender shall not constitute a default of the Borrower's obligation to the City of Calumet City.

b. That in the event of a default under the subordinated debt, the City of Calumet City agrees to notify the Lender of such default and any actions of the Borrower which may be required to cure the same.

4. That the City of Calumet City hereby consents that the lien of the mortgage described in paragraph 1 of this Agreement shall be taken as second and inferior to the lien of the mortgage described in paragraph 2 of this Agreement.

5. That the Lender may, in its discretion, and at any time and from time to time, without consent but with notice to the City of Calumet City, and, with or without valuable consideration, release any person primarily or secondarily liable on the Lender's debt or may permit substitution, or withdrawals of any security or collateral at any time securing payment of said indebtedness or release any such security or collateral or, renew and extend or accept any partial payments on the Lender's debt or alter in such manner as the Lender shall deem proper, the terms of any instruments evidencing or securing the Lender's debt or any part thereof without in any manner impairing the Lender's rights hereunder. It shall not be necessary for the Lender, in order to enforce its rights hereunder to institute suit or exhaust its remedies against any person obligated to pay the Lender's debt.

6. That both the Lender and the City of Calumet City agree that nothing in this paragraph shall be construed to affect or limit the rights of the City of Calumet City under its mortgage or any of the other City of Calumet City documents related to said mortgage.

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7. That the Lender, in the event of default by the Borrower on the Lender's debt, warrants that it will notify the City of Calumet City of the default and any actions of the Borrower which may be required to cure the same. **00789042**

8. That this Agreement constitutes a continuing subordination until the Lender's debt and any renewal, extension, or other liabilities arising out of said debt or any part thereof is repaid in full. This Agreement is cumulative of all other rights and securities of both the Lender and the City of Calumet City and no waiver by the Lender or the City of Calumet City of any right hereunder with respect to a particular payment shall affect or impair its rights in any other documents or matters occurring at any time.

9. That this Agreement shall be governed by the laws of the State of Illinois.

10. That this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each of the parties hereto, but the Lender and the City of Calumet City agree that neither shall assign their respective claims or any part thereof without making the rights and interests of the assignee subject in all respects to the terms of this Agreement.

Dated this 26th day of September, 2000.

CITY OF CALUMET CITY, ILLINOIS

BY: _____


Mayor

ATTEST: _____


City Clerk

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STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

I, the undersigned, a NOTARY PUBLIC in and for said County in the State aforesaid, DO HEREBY CERTIFY, that Jerry Genova and Michelle Qualkinbush 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 acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28th day of September, 2000.

Roseann Bonato
Notary Public



Prepared by:

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Flossmoor, IL 60422

Information supplied by
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Department of Community & Economic Development
City of Calumet City

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