

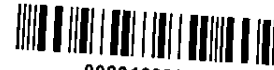
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2002-02-07 10:25:18

Cook County Recorder 29.50

**SUBORDINATION
AGREEMENT**

0020160300

As an inducement to the Westbank, an Illinois State Bank (the "Senior Lender") to grant a loan (as hereafter described) to Pacelli Holdings, L.L.C. (the "Borrower"), and in consideration thereof, the undersigned, Robert F. Smith, hereby agrees to subordinate the lien of the Mortgage/Assignment of Rents dated June 30, 1999 and executed by Pacelli Holdings, L.L.C. and given to Robert F. Smith (the "Subordinated Lender") securing an obligation in the amount of \$550,000, which instrument was recorded July 13, 1999 with the Cook County Recorder of Deeds as Document Number 99669350 (the "Subordinated Loan Documents") to the mortgage lien, assignment of rents, and security interest of Senior Lender, when and if taken, to secure a loan hereafter described upon the premises legally described on Exhibit A hereto (the "Property"). Senior Lender has committed to lend to Borrower the principal amount of up to Seven Hundred Twenty Thousand and no/100 Dollars (\$720,000) (the "Senior Loan") to be evidenced by a promissory note and to be secured by a Mortgage and Assignment of Rents, a Security Agreement and related documents encumbering the Property (the "Senior Loan Documents") as well as additional security, including but not limited to a second mortgage on certain real property located in West Chicago, Illinois. For purposes of the priority herein granted by Subordinated Lender, the Senior Loan shall be limited to a principal amount outstanding from time to time of \$720,000.

**INSTRUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:**

Andrew S. Williams
Aronberg Goldgehn Davis & Garmisa
One IBM Plaza, Suite 3000
Chicago, Illinois 60611

Common address:

3975 Algonquin Road
Rolling Meadows, IL 60008

Permanent Index Number(s):

08-07-203-006-0000; 08-07-203-008-0000

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The foregoing subordination is subject to the following terms and conditions:

1. The Subordinated Loan Documents and the liens and security interests created thereby are and shall be subordinate to the liens and security interests created by the Senior Loan Documents and to any and all amendments, modifications, replacements or renewals of the Senior Loan Documents, and to any and all advances hereafter made pursuant to the Senior Loan Documents as so modified, renewed or extended.
2. Until such time as all liabilities arising under the Senior Loan Documents (the "Senior Liabilities") have been paid in full, Subordinated Lender shall be entitled to no distribution of casualty insurance proceeds or condemnation proceeds relating to the Property or to proceeds from the sale, foreclosure, disposition or other transfer of the Property.
3. In the event of any dissolution, winding up, liquidation, readjustment, reorganization or similar proceedings relating to Borrower or the Property, the Senior Liabilities shall be paid in full before Subordinated Lender shall be entitled to receive and retain any payment or distribution pursuant to the Subordinated Loan Documents.
4. Until such time as the Senior Liabilities have been paid in full, Subordinated Lender waives and releases any and all rights of subrogation which it has against the Property which would result in the Subordinated Lender obtaining a priority equal to or superior to the priority of the Senior Lender for any funds which Subordinated Lender may advance to cure defaults, or pay liens encumbering the Property, or otherwise to protect the lien of the Subordinated Loan Documents.
5. Subordinated Lender hereby waives (a) any due on sale clause or due on refinancing provisions of the Subordinated Loan Documents, and (b) all diligence in collection, protection of or realization upon the Senior Liabilities or any security therefor.

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6. Senior Lender may, from time to time, in its sole discretion and without notice to Subordinated Lender, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the Senior Liabilities; (b) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to any of the Senior Liabilities; and (c) release or compromise any obligation of any nature of any obligor with respect to any of the Senior Liabilities.

7. This Agreement shall terminate upon full and final payment of any and all amounts due under the Senior Loan Documents, as amended, renewed or extended from time to time.

The covenants and conditions contained herein shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

Dated this 31 day of January, 2002, at Chicago, Illinois.

SUBORDINATED LENDER


Robert F. Smith

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lisa M. Witkowski, do hereby certify that Robert F. Smith, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he signed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth.

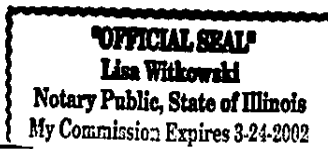
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GIVEN under my hand and official seal this 31st day of January, 2002.

(NOTARIAL SEAL)

Lisa M. Wittkowski
Notary Public

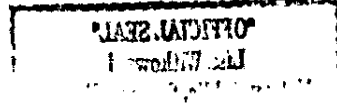


My Commission Expires: _____

248149.1

Property of Cook County Clerk's Office

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Property of Cook County Clerk's Office

UNOFFICIAL COPY EXHIBIT A

Property Description

20160300

THE WESTERLY 100 FEET (EXCEPT THE NORTHERLY 15 FEET THEREOF) OF THAT PART OF FRACTIONAL SECTION 07, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHERLY LINE OF ALGONQUIN ROAD (AS SAID SOUTHERLY OR WESTERLY LINE EXISTED ON OCTOBER 23, 1956) AT THE NORTHEASTERLY CORNER OF LOT 19 IN THE ARLINGTON TERRACE STATES UNIT 1 ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 15, 1955 AS DOCUMENT NO. 16420763 THENCE SOUTHERLY ALONG A LINE DRAWN AT RIGHT ANGLES TO THE SOUTHERLY LINE OF SAID ALGONQUIN ROAD BEING ALSO THE EASTERLY LINE OF SAID LOT 19 A DISTANCE OF 145 FEET TO AN ANGLE IN THE EASTERLY LINE OF SAID LOT 19 THENCE EASTERLY ALONG A LINE AT RIGHT ANGLES TO THAT LAST DESCRIBED LINE, BEING ALSO A BOUNDARY LINE OF SAID LOT 19 A DISTANCE OF 50 FEET, TO THE MOST EASTERLY CORNER OF SAID LOT 19, TO ITS INTERSECTION WITH THE WESTERLY LINE OF ROHLWING ROAD (AS SAID SOUTHERLY OR WESTERLY LINE EXISTED ON OCTOBER 03, 1956) THENCE NORTHERLY ALONG SAID WESTERLY LINE OF ROHLWING ROAD AND WESTERLY ALONG SAID SOUTHERLY LINE OF ALGONQUIN ROAD TO THE PLACE OF BEGINNING.

ALSO,

COMMENCING ON THE SOUTHERLY LINE OF ALGONQUIN ROAD (AS SAID SOUTHERLY OR WESTERLY LINE EXISTED ON OCTOBER 23, 1956 AT THE NORTHEASTERLY CORNER OF THE AFORESAID LOT 19 THENCE SOUTHERLY ALONG A LINE DRAWN AT RIGHT ANGLES TO THE SOUTHERLY LINE OF ALGONQUIN ROAD, BEING ALSO THE EASTERLY LINE OF SAID LOT 19, A DISTANCE OF 15 FEET THENCE EASTERLY PARALLEL TO THE SAID SOUTHERLY LINE OF ALGONQUIN ROAD FOR 199 FEET TO THE PLACE OF BEGINNING THENCE EASTERLY AND SOUTHERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 80 FEET AND TANGENT TO THE LAST DESCRIBED COURSE AT THE LAST DESCRIBED POINT FOR 104.72 FEET TO A POINT; THENCE SOUTHERLY ALONG A STRAIGHT LINE TO A POINT IN A LINE PASSING THROUGH THE MOST EASTERLY CORNER OF SAID LOT 19 AND PARALLEL TO THE SOUTHERLY LINE OF SAID ALGONQUIN ROAD THAT IS 139.36 FEET EASTERLY OF THE SAID MOST EASTERLY CORNER OF LOT 19, AS MEASURED ALONG SAID PARALLEL LINE; THENCE WESTERLY ALONG THE LAST DESCRIBED PARALLEL LINE FOR 189.36 FEET TO POINT. THENCE NORTHERLY ALONG A STRAIGHT LINE FOR 130 FEET TO THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PIN #08-07-203-006-0000
#08-07-203-008-0000

COMMONLY KNOWN AS: 3975 ALGONQUIN ROAD
ROLLING MEADOWS, IL 60008