

Project No.9707

SUBORDINATION AGREEMENT



This Subordination Agreement (the "Agreement") is made and entered into this 18th day of December 2001 by and between Midfirst Bank. (the "Lender") and the City of Country Club Hills, an Illinois municipal corporation (the "City") as follows:

1. The City is the present legal holder and owner of a certain mortgage dated November 3, 1998, from Melinda Martin, as Mortgagor, (the "Borrower"), to the City, as Mortgagee, recorded in Cook County, Illinois as Document Number 99082495 and a certain mortgage dated January 8, 1999 from Borrower to the City, as Mortgages recorded in Cook County, Illinois as Document Number 99099091 and concerning real property in Cook County, Illinois commonly known as 17720 Yale Lane, Country Club Hills, Illinois, 60478 and which is legally described as follows:

LOT 591 IN BLOCK 17, IN WINSTON PARK SUBDIVISION UNIT FIVE, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 AND ALSO THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRA OF TITLES OF COOK COUNTY, ILLINOIS, ON JANUARY 26, 1972, AS DOCUMENT NO. 2604946, IN COOK COUNTY, ILLINOIS AND CERTIFICATE OF CORRECTION REQUESTED ON SEPTEMBER 6, 1972 AS DOCUMENT NUMBER 2646492, IN COOK COUNTY, ILLINOIS

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which mortgages secure the payment of a note in the amended original principal sum of Twenty-eight Thousand Four Hundred and Seventy Seven Dollars and 00/100 (\$28,477.00), plus advances in the amount of Zero Dollars (\$00.00), executed by Melinda Martin and made payable to the City.

2. a. That the 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 mortgages described in paragraph 1. of this Agreement but only insofar as the following described mortgage is concerned but not otherwise:

A second mortgage with Midfirst Bank. said mortgage from Melinda Martin as Mortgagor, to Midfirst Bank. as Mortgagee, which said mortgage secures the payment of a note in the amount of Fifty-Eight Thousand Two Hundred Seventy Two Dollars and 00 /100 cents (\$58,272.00) (the "Lender's debt").

b. That the Lender's debt shall be defined to include not only the principal sum of Fifty-Eight Thousand Two Hundred Seventy Two Dollars and 00 /100 cents (\$58,272.00) but also any and all interest, late charges, attorney's fees, advances for real estate taxes or insurance made pursuant to the

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terms of 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** 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**.
- b. That in the event of a default under the subordinated debt, the **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** hereby consents that the lien of the mortgages 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**, 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.

That both the Lender and the **City** agree that nothing in this paragraph shall be construed to affect or limit the rights of the **City** under its mortgages or any of the other Community Development Block Grant documents related to said mortgages.

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 the default and any actions of the Borrower which may be required to cure the same.

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** and no waiver by the Lender or the **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** agree

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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 18<sup>th</sup> day of December, 2001.

COUNTRY CLUB HILLS, ILLINOIS

BY:

David W. Uebel  
Mayor

ATTEST:

Jessica M. Fran  
Clerk

Midfirst Bak  
The Loan Center  
501 N. W. Grand Boulevard  
Suite 360  
Oklahoma City, Oklahoma 73118

(SEAL)

BY:

[Signature]  
ITS: First Vice President

ATTEST:

[Signature]

(SEAL)

ITS:

Loan Closer / Notary

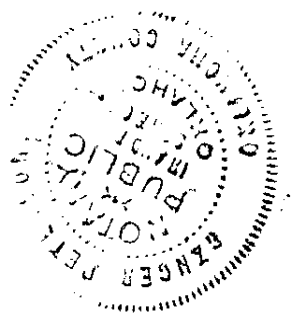
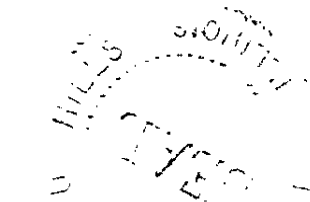
My Commission Expires Sept. 24, 2005.

Prepared by:

Paula Smothers  
Housing Administrator

Approved by:

Jessica N. Holman, City Attorney



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