

Project No. LBPE01-NWHP

EX02552 Lot 2



0021000987

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made and entered into this 20 day of August, 2002 by and between GN Mortgage (the "Lender") and the North West Housing Partnership, an Illinois not-for-profit corporation 501(c)(3) (the "Mortgagee") as follows:

1. The North West Housing Partnership is the present legal holder and owner of a certain mortgage dated November 26, 2001 from Joanne Scholin, as Mortgagors, (the "Borrowers"), to the North West Housing Partnership, as Mortgagee, recorded in Cook County, Illinois as Document Number 0011164539 and concerning real property in Cook County, Illinois commonly known as 109 South Owen Place, Prospect Heights, Illinois, 60070 and which is legally described as follows:

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Legal Description:

LOT 8 IN BLOCK 14 IN PROSPECT HEIGHTS MANOR, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 (EXCEPT IN THE WEST 493.20 FEET OF THE NORTH 353.20 FEET THEREOF) OF SECTION 27, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JUNE 14, 1946 AS DOCUMENT 13821026, IN COOK COUNTY, ILLINOIS.

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which mortgage secures the payment of a note in the original principal sum of One hundred sixty-six thousand forty-six Dollars (\$166,046.00) executed by Joanne Scholin made payable to the North West Housing Partnership.

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2. a. That the North West Housing Partnership, 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:

2. That certain mortgage dated the _____ day of _____, 200__ and recorded as Document Number _____ in the Cook County Recorder's Office on the _____ day of _____, 200__, from Joanne Scholin, as Mortgagor, to GN Mortgage as Mortgagee, which said mortgage secures the payment of a note in the amount of One hundred fifty-nine thousand and no cents Dollars (\$159,000.00) dated the _____ day of _____, 200_. (the "Lender's debt")

b. That the Lender's debt shall be defined to include not only the principal sum of One hundred fifty-nine thousand and no cents Dollars (\$159,000.00) 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 North West Housing Partnership warrants to the Lender as follows:

a. That the execution of the note and mortgage to Lender shall not constitute a default of the Borrowers' obligation to the North West Housing Partnership.

b. That in the event of a default under the subordinated debt, the North West Housing Partnership agrees to notify the Lender of such default and any actions of the Borrowers which may be required to cure the same.

4. That the North West Housing Partnership 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 North West Housing Partnership**, 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 North West Housing Partnership agree that nothing in this paragraph shall be construed to affect or limit the rights of the North West Housing Partnership under its mortgage or any of the other North West Housing Partnership documents related to said mortgage.

7. That the Lender, in the event of default by the Borrowers on the Lender's debt, warrants that it will notify the North West Housing Partnership of the default and any actions of the Borrowers 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.

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 North West Housing Partnership and no waiver by the Lender or the North West Housing Partnership 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 North West Housing Partnership 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 ___th day of _____, 2002.

Cook County, ILLINOIS

BY: Donna L. Thomas
Donna L. Thomas, Executive Director

ATTEST: Marc Hummel
Marc Hummel, Secretary

(SEAL)

GN Mortgage

BY: _____

ITS: _____

ATTEST: _____

(SEAL)

ITS: _____

-Prepared by:

North West Housing Partnership
236 West Northwest Highway
Palatine, IL 60067

Property of Cook County Clerk's Office