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Cook County Recorder 45.50

SML7269
04/10/00

Loan No.50-429000



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Property of Cook County Clerk's Office

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Agreement") is made and entered into as of April 10, 2000, by and among 400 WEST ONTARIO, L.L.C., an Illinois limited liability company ("Owner"), NORTHSIDE COMMUNITY BANK, an Illinois state bank ("Junior Lender"), and INDYMAC CLCA SPC I, INC., a Delaware corporation, as successor to INDYMAC MORTGAGE HOLDINGS, INC., a Delaware corporation, d/b/a Construction Lending Corporation of America ("CLCA"), with respect to the following Recitals:

R E C I T A L S:

A. Owner is the owner of that certain real property located in the County of Cook, State of Illinois, more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property").

Prepared by and when

Scott M. Lapins
Miller, Shakman, Hamilton,
Kurtzon & Schflifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604

Permanent Index No.

See Exhibit "A"

Address of Property:

400 West Ontario Street
Chicago, Illinois

After recording return to:

Christine Petrassi
Construction Lending Corporation
of America
100 South Wacker Drive, Suite 1700
Chicago, Illinois 60606

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B. Owner has executed, or is about to execute, a Mortgage (the "Junior Mortgage") to be recorded concurrently herewith, which secures a promissory note payable by Jeffrey B. Gelman and 1250 LLC, an Illinois limited liability company ("Maker") to the order of Junior Lender in the amount of \$4,000,000.00 dated April 13, 2000, a copy of which has been furnished to CLCA (the "Junior Note"). Junior Lender is the present owner and holder of said Junior Mortgage and said Junior Note.

C. Owner has executed a Mortgage dated September 30, 1998 and recorded October 16, 1998 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 98932493 (the "CLCA Mortgage") and Promissory Note (the "CLCA Note") in the sum of \$24,166,609.00 dated September 30, 1998 in favor of CLCA, payable with interest and upon the terms and conditions described therein in respect to a construction loan (the "CLCA Loan") by CLCA to Owner.

D. It is a condition precedent to CLCA consenting to the Junior Mortgage, that the CLCA Mortgage in favor of CLCA shall unconditionally be and remain at all times a lien or charge upon the Property that is prior and superior to the lien or charge of the Junior Mortgage first above mentioned.

E. CLCA is willing to consent to the Junior Mortgage, provided the CLCA Mortgage securing the same in favor of CLCA is a lien or charge upon the Property prior and superior to the lien or charge of the Junior Mortgage first above mentioned, and provided that Junior Lender will specifically and unconditionally subordinate the lien or charge of the Junior Mortgage to the lien or charge of the CLCA Mortgage in favor of CLCA.

F. Junior Lender is willing that the CLCA Mortgage securing the CLCA Loan shall constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the Junior Mortgage first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto, and for other valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and in order to induce CLCA to consent to the Junior Mortgage, the parties hereby incorporate the foregoing Recitals by reference as part of this Agreement, and the parties hereby further declare, understand and agree as follows:

1. The CLCA Mortgage securing the CLCA Note in favor of CLCA, and any renewals, modifications or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Property that is prior and superior to the lien or charge of the Junior Mortgage.

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2. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien and charge of the Junior Mortgage to the lien or charge of the CLCA Mortgage, and shall supersede and cancel, but only insofar as would affect the priority between the Junior Mortgage and the CLCA Mortgage specifically described herein, any prior agreement as to such subordination, including, but not limited to, those provisions, if any, contained in the Junior Mortgage, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

3. CLCA hereby consents to the subordinate encumbrance on the Property of the lien of the Junior Mortgage.

4. If an event of default occurs under the CLCA Loan made by CLCA to Owner, and as a result thereof CLCA intends to accelerate the entire balance of the CLCA Loan and institute a proceeding or proceedings for judicial or non-judicial foreclosure of the CLCA Mortgage in favor of CLCA, then CLCA agrees to provide Junior Lender with written notice of the nature and occurrence of such event of default and an opportunity to cure such event of default within the later of (i) ten (10) days after receipt of said written notice from CLCA (which written notice from CLCA to Junior Lender may, at CLCA's option, be delivered prior to, concurrently with or subsequent to any written notice of such event of default that is given by CLCA to Owner); or (ii) within the applicable cure period or cure periods, if any, that may be provided for such event of default under the CLCA Loan Documents (as hereinafter defined). The written notice referred to in this paragraph will be deemed received by Junior Lender (a) upon delivery by recognized courier delivery service or (b) three (3) days after such written notice is placed in the United States mail, postage prepaid, and properly addressed to Junior Lender as follows, or to such other address as Junior Lender may request in writing:

Northside Community Bank
5103 Washington Street
Gurnee, Illinois 60031
Attention: James Randall

Junior Lender shall have the right (but not the obligation) to cure any default by Owner under the CLCA Mortgage, and CLCA shall accept performance by Junior Lender as if such performance were tendered by Owner.

5. Junior Lender declares, agrees and acknowledges that:

(a) Junior Lender consents to and approves (i) all provisions of the CLCA Note and the CLCA Mortgage, and (ii) all agreements, including, but not limited to, any loan or escrow agreements (collectively, the "CLCA Loan Documents") between Owner and CLCA for the disbursement of the proceeds of the CLCA Loan.

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(b) CLCA, in making disbursements pursuant to the CLCA Loan Documents, is under no obligation or duty to, nor has CLCA represented that it will, see to the application of such CLCA Loan proceeds by the person or persons to whom CLCA disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in the CLCA Loan Documents shall not defeat the subordination herein made in whole or part.

(c) Junior Lender intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Junior Mortgage in favor of the lien or charge upon the Property of the CLCA Mortgage, and all extensions, modifications and renewals thereof, and Junior Lender understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into, which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

(d) An endorsement will be placed upon the Junior Note secured by the Junior Mortgage that said Junior Mortgage has by this instrument been subordinated to the lien or charge of the CLCA Mortgage in favor of CLCA.

(e) Junior Lender will not accept any payments or require Owner to make any payments under the Junior Note secured by the Junior Mortgage (other than regular payments of interest) so long as Junior Lender has received notice from CLCA that an event of default has occurred under the CLCA Loan made by CLCA to Owner and such event of default has not been cured, and any such payments received by Junior Lender, from the Property or otherwise, shall be forwarded to CLCA.

6. Without in any way limiting the generality of the foregoing and notwithstanding anything to the contrary contained in the Junior Note or in the Junior Mortgage, Junior Lender hereby covenants and agrees that, except as expressly provided in this Paragraph 6, until such time as all indebtedness and all other obligations owed to CLCA under the CLCA Note and the CLCA Mortgage are fully satisfied:

(a) Junior Lender shall not be entitled to, nor shall Junior Lender accept, any principal payments on, under or with respect to the Junior Note or the Junior Mortgage; provided, however, that (i) Junior Lender shall be entitled to collect regular payments of interest, and (ii) so long as Junior Lender has not received notice from CLCA that an event of default has occurred under the CLCA Loan made by CLCA to Owner, Junior Lender shall be entitled to receive proceeds of sale pursuant to Paragraph 1 of the Junior Note.

(b) Junior Lender may accrue but shall not seek to collect any late charge or default rate of interest on any payments

which might otherwise be due from Maker but for the provisions of paragraph 6(a) above.

(c) Junior Lender shall not commence or prosecute to sale or completion any proceeding or proceedings for judicial or non-judicial foreclosure of the Junior Mortgage or exercise any remedies against Maker the Junior Note or under the Junior Note or any guaranty of the Junior Loan until CLCA has been fully repaid under CLCA Loan. In the event that suit is thereafter filed in respect to the Junior Note or Junior Mortgage, Junior Lender shall not name 1250 LLC as a defendant in any action or proceeding if doing so could in any way impede or adversely affect 1250 LLC from closing the sales of condominium units or parking spaces in the condominium project to be developed by 1250 LLC at the property commonly known as 1250 North LaSalle Street, Chicago, Illinois. In the event any such proceeding shall so impede or adversely affect 1250 LLC from closing the sale of condominium units or parking spaces, Junior Lender shall, within fourteen (14) business days after receiving written notice from CLCA, dismiss such action or take other steps necessary to allow such closings to continue without any title exceptions relating to any such proceeding. Junior Lender shall be entitled to appear, plead and cross claim to foreclose its Mortgage as part of any foreclosure action instituted by CLCA.

(d) Junior Lender shall not commence or join, as a petitioning creditor, any involuntary bankruptcy proceedings in which the Owner is named as the debtor pursuant to the United States Bankruptcy Code; provided, however, that Junior Lender may file a claim or claims and take all other actions to protect Junior Lender's interests with respect to any bankruptcy proceedings in which the Owner is named as the debtor that are commenced by Owner, by CLCA or by any other creditors of Owner.

(e) With the exception of (i) increasing the principal amount due under the CLCA Note (other than protective advances or other amounts due currently under the CLCA Loan); (ii) amendments to Owner's stated repayment obligations and (iii) any increase in the rate of interest or default rate on the CLCA Note, which shall not be made without Junior Lender's prior, written approval, the CLCA Note, the CLCA Mortgage, and any other CLCA Loan Documents may be amended, modified or extended, and Junior Lender hereby consents to and approves of all such amendments, modifications and extensions, and the CLCA Note, the CLCA Mortgage, and the CLCA Loan Documents shall nevertheless unconditionally be and remain at all times a lien or charge on the Property that is prior and superior to the lien or charge of the Junior Mortgage. Junior Lender hereby agrees to execute, acknowledge, deliver and record such further documents, subordination agreements or written approvals as CLCA may reasonably request to confirm such continuing subordination.

7. Without in any way limiting the generality of the foregoing and notwithstanding anything to the contrary contained in the Junior Mortgage, Junior Lender covenants and agrees that until

such time as the lien of the CLCA Loan is paid in full and CLCA has no further right, title or interest in the Property:

(a) In the event of a condemnation or other taking by eminent domain of all or any portion of the Property or in the event of any loss of or damage to all or any portion of the Property:

(i) CLCA's right to any condemnation award or other payment in lieu of condemnation and to any insurance proceeds shall be, and at all times remain, unconditionally prior and superior to any right of Junior Lender in any such award, payment or proceeds; and

(ii) In the event CLCA elects to disburse or otherwise release all or any portion of such award, payment or proceeds to Owner for the purpose of reconstruction or replacement of the Property (including any improvements now or hereafter located on the Property), Junior Lender shall in no event declare a default under the Junior Mortgage by reason of the condemnation of or damage to or destruction of the Property or by reason of such application by Owner of such award, payment or proceeds to the costs of reconstruction or replacement of the Property.

(b) Junior Lender shall promptly deliver to CLCA a copy of any notice of default delivered to Owner pursuant to the Junior Mortgage. (Such notice shall be given in writing to CLCA at the following address: INDYMAC Mortgage Holdings, Inc., c/o Construction Lending Corporation of America, 155 North Lake Avenue, 11th Floor, Pasadena, California 91101, Attention: Central Operations Division, with a copy to Scott M. Lapins, Miller, Shakman, Hamilton, Kurtzon & Schlifke, 208 South LaSalle Street, Suite 1100, Chicago, Illinois 60604 and Steve Rosen, Construction Lending Corporation of America, 100 South Wacker Drive, Suite 1700, Chicago, Illinois 60606, and shall be delivered by recognized courier delivery service or sent by registered or certified mail through the United States postal service to the address set forth herein, or to such other address as CLCA may request in writing. Such notices, if sent by mail, shall be deemed given three (3) days after deposit in the United States mail and, if delivered by hand, shall be deemed given when delivered). CLCA shall have the right (but not the obligation) to cure any default by Owner under the Junior Mortgage, and Junior Lender shall accept performance by CLCA as if such performance were tendered by Owner.

8. Junior Lender and Owner each represent and warrant that as of the date this Agreement is recorded, the outstanding principal balance of the Junior Note is equal to \$4,000,000.00 and that there are no further disbursements to be made other than protective advances that may be made by Junior Lender pursuant to the terms of the Junior Mortgage.

9. CLCA and Owner each represent and warrant that as of the date of this Agreement, the outstanding principal balance under the CLCA Loan is \$_____ and that CLCA has not issued any notice of default to owner under the CLCA Loan.

10. Junior Lender and Owner each represent and warrant that as of the date hereof, to the knowledge of each, respectively, Owner is not in default under the Junior Mortgage or under the Junior Note or under any other loan documents or agreements that are secured, in whole or in part, by the Junior Mortgage, nor has any event occurred, which with the giving of notice or the passage of time, or both, would constitute a default by Owner thereunder.

11. Junior Lender represents, warrants, covenants and agrees that, notwithstanding anything to the contrary contained in the Junior Mortgage or in the Junior Note, Junior Lender hereby consents to any sale of condominium units and parking spaces at the Property pursuant to bona fide, arms length sales transactions and will release its interest in that portion of the Property upon any such sale. In furtherance of the foregoing, Junior Lender shall duly execute, acknowledge and deliver to CLCA partial reconveyances (each, a "Reconveyance" and collectively, the "Reconveyances"), partially reconveying the lien of the Junior Mortgage from each lot, condominium unit and limited common element parking space within the Property, and shall deliver such Reconveyances to CLCA concurrently with the execution of this Agreement. In connection with the sale of each lot, condominium unit and limited common element parking space within the Property, and provided that CLCA has partially reconveyed the lien of the CLCA Mortgage from such lot, CLCA is hereby authorized and directed to record the Reconveyance executed by Junior Lender partially reconveying such lot from the lien of the Junior Mortgage, all at the sole cost and expense of the Owner. The provisions of this Section 11 of this Agreement shall be irrevocable, and may not be revoked or rescinded by Junior Lender or Owner without the prior written consent of CLCA. At such time as all indebtedness and all other obligations owed to CLCA under the CLCA Note and the CLCA Mortgage are fully satisfied, CLCA hereby agrees to return to Junior Lender any Reconveyances in CLCA's possession that have not been recorded pursuant to the foregoing provisions.

12. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. This Agreement may be executed in any number of counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and

acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to form physically one document which may be recorded.

14. Each of the individuals executing this Agreement on behalf of Owner, Junior Lender and CLCA has the authority to bind Owner, Junior Lender and CLCA, respectively, to the terms and conditions hereof, and each of the other parties may rely on such representation.

NOTE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement as of the date and year first above written.

OWNER:

400 WEST ONTARIO, L.L.C., an Illinois limited liability company

By: [Signature]
Its: Manager

CLCA:

INDYMAC CLCA SPC I, INC., a Delaware corporation, as sucesor to INDYMAC MORTGAGE HOLDINGS, INC., d/b/a CONSTRUCTION LENDING CORPORATION OF AMERICA

By: [Signature]
Its: VICE PRESIDENT

JUNIOR LENDER:

NORTHSIDE COMMUNITY BANK, an Illinois state bank

By: _____
Its: _____

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IN WITNESS WHEREOF, the parties have executed this Subordination Agreement as of the date and year first above written.

OWNER:

400 WEST ONTARIO, L.L.C., an
Illinois limited liability company

By: _____
Its: Manager

CLCA:

INDYMAC CLCA SPC I, INC., a Delaware
corporation, as successor to INDYMAC
MORTGAGE HOLDINGS, INC., d/b/a
CONSTRUCTION LENDING CORPORATION OF
AMERICA

By: _____
Its: _____

JUNIOR LENDER:

NORTHSIDE COMMUNITY BANK, an
Illinois state bank

By: *Jm [Signature]*
Its: Chairman

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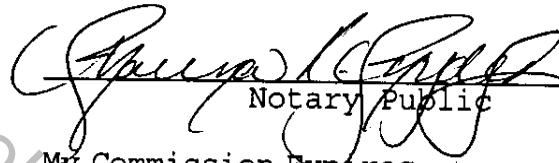
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STATE OF ILLINOIS)
)
COUNTY OF Cook) SS.

The foregoing instrument was acknowledged before me this 10th day of April, 2000, personally appeared Jeffrey B. Gelman, Manager of 400 WEST ONTARIO, L.L.C., an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager appeared before me this day in person and acknowledged that he signed and delivered the said instrument as the free and voluntary act of said company for the uses and purposes therein set forth.

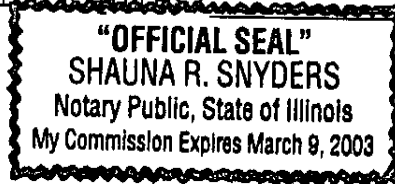
GIVEN under my hand and Notarial Seal this 10th day of April, 2000.

(NOTARY SEAL)



Notary Public

My Commission Expires _____



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 11th day of April, 2000, personally appeared STEVEN F. ROSEN VICE PRESIDENT of INDYMAC CLCA SPC I, INC., a Delaware corporation, as successor to INDYMAC MORTGAGE HOLDINGS, INC., d/b/a Construction Lending Corporation of America, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 11th day of April, 2000.

(NOTARY SEAL)

Christine A. Petrassi
Notary Public

My Commission Expires

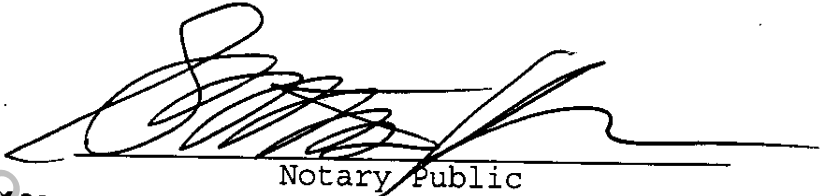


STATE OF ILLINOIS)
)
COUNTY OF Lake) SS.

The foregoing instrument was acknowledged before me this 13th day of April, 2000, personally appeared James Randall, Chairman of NORTHSIDE COMMUNITY BANK, an Illinois state bank, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chairman appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as the free and voluntary act of said bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 13th day of April, 2000.

(NOTARY SEAL)


Notary Public



My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

LOTS 8 TO 14, BOTH INCLUSIVE, IN YOUNG'S SUBDIVISION OF PART OF THE KINGSBURY TRACT IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 235 FEET OF THAT PART OF THE 9 FOOT PRIVATE ALLEY LYING NORTH OF AND ADJOINING LOTS 1 TO 10 IN YOUNG'S SUBDIVISION OF PART OF THE KINGSBURY TRACT IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE EAST 235 FEET OF THE SOUTH 9 FEET OF LOTS 1 AND 2 IN ASSESSOR'S DIVISION OF PART (SOUTH OF ERIE STREET AND EAST OF CHICAGO RIVER) OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THE SOUTH HALF OF THE 18 FOOT ALLEY LYING NORTH OF AND ADJOINING LOT 9 AND LYING BETWEEN THE EAST AND WEST LINES OF SAID LOT 9 EXTENDED NORTH, IN BLOCK 11 IN BUTLER, WRIGHT AND WEBSTER'S ADDITION TO CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THE WEST 135 FEET OF THE EAST 370 FEET OF THE SOUTH 9 FEET OF LOTS 1, 2 AND 3 IN ASSESSOR'S DIVISION OF PART (SOUTH OF ERIE STREET AND EAST OF CHICAGO RIVER) OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THE WEST 135 FEET OF THE EAST 370 FEET OF THAT PART OF THE 9 FOOT PRIVATE ALLEY LYING NORTH OF AND ADJOINING LOTS 1 TO 15 IN YOUNG'S SUBDIVISION OF PART OF THE KINGSBURY TRACT IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.