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Cook County Recorder 70.50

RECORDATION REQUESTED BY AND
WHEN RECORDED MAIL TO:

LABE BANK
4343 N. ELSTON AVE.
Chicago, Illinois 60641



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SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into as of JANUARY 23, 2003 by, and between and among EQUITY MORTGAGE GROUP LTD ("Senior Lender"), KENNETH REEDER AND DEBORAH REEDER, HIS WIFE ("Borrower") and LABE BANK (the "Subordinated Lender").

RECITALS:

A. Senior Lender has agreed to extend credit to Borrower pursuant to that certain Note dated as of the date hereof in the principal sum of ONE HUNDRED NINETY EIGHT THOUSAND DOLLARS 00/100 (\$198,000.00) (the "Senior Note") and secured by, among other things, that certain Deed of Trust of even date herewith (the "Senior Mortgage"), and that certain Assignment of Leases and Rents of even date herewith (the "Senior Assignment", the Senior Mortgage, the Senior Assignment and the Senior Note are hereinafter collectively referred to as the "Senior Loan Documents") which Senior Mortgage and Assignment constitute liens or encumbrances on that certain real property legally described on Exhibit A attached hereto and made a part hereof (the "Property") and the improvements located on the Property (the "Project").

B. Borrower is indebted to Subordinated Lender as evidenced by that certain Promissory Note dated MARCH 30, 2002 in the original principal sum of \$115,000.00 (the "Subordinated Note"), which is secured by, among other things, that certain Mortgage on the Project dated MARCH 30, 2002 and recorded in the Official Records as Instrument Number 0020433425 in COOK County, ILLINOIS, and a certain Assignment of Rents on the Project dated MARCH 30, 2002 and recorded in the Official Records as Instrument Number 0020433426 in COOK County, ILLINOIS (the "Subordinated Mortgage"; the Subordinated Note and the Subordinated Mortgage are sometimes hereinafter collectively referred to as the "Subordinated Loan Documents").

C. As a condition to extending credit to Borrower, Senior Lender

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has required that the Subordinated Mortgage and the interests of Subordinated Lender in the Property and Project be subordinated to the Senior Loan Documents and the obligations of Borrower running to Senior Lender.

NOW THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by each of the parties hereto, it is agreed as follows:

1. Subordination of Interests. All now existing or hereafter arising interests of Subordinated Lender in the Property and the Project (and all leases, rents, income, profits and other revenues therefrom), pursuant to the Subordinated Note and Mortgage shall be and are hereby declared to be subject, junior and subordinate to all now existing or hereafter arising rights or interests in the Property and the Project held by Senior Lender pursuant to the Senior Loan Documents.

2. Subordination of Other Collateral and Proceeds. All now existing or hereafter arising rights and interests of Subordinated Lender in all tangible and intangible personal property in which a security interest or lien arises under the Senior Loan Documents ("Personal Property"), and all products and proceeds of the Personal Property, including, without limitation, all insurance and condemnation proceeds, shall be and hereby are declared to be subject, junior and subordinate to all now existing or hereafter arising rights or interests of Senior Lender in the Personal Property and all products and proceeds of the Personal Property.

3. Extent of Subordination. The subordinations provided for in paragraph 1 and 2 above shall remain in full force and effect until all now existing or hereafter arising obligations of Borrower under the Senior Loan Documents are paid and satisfied in full and Senior Lender has no further obligations to advance additional funds with respect to the Project under the Senior Loan Documents, which obligations of Borrower shall include, without limitation, the obligation to pay to Senior Lender:

(a) all outstanding balances of principal, interest and applicable penalties on the Senior Note;

(b) all fees, charges, costs and expenses incurred by Senior Lender in preparing or amending the Senior Loan Documents, including reasonable attorneys' fees;

(c) all fees, charges, costs and expenses incurred by Senior Lender in protecting the lien of the Senior Mortgage or the lien or security interest applicable to other collateral

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pledged to Senior Lender;

(d) all fees, charges, costs and expenses, including reasonable attorneys' fees, incurred by Senior Lender in enforcing its rights and remedies under the Senior Loan Documents or applicable law.

All the foregoing obligations of Borrower are hereinafter referred to as the "Senior Loans Obligations."

4. Conflicting Terms. In the event of any conflict between the provisions of this Subordinated Agreement and the provisions of the Subordinated Loan Documents, the provisions of this Subordination Agreement shall be deemed to be controlling.

5. Attachment, Perfection. The rights and interests subordinated hereby and the priorities established hereby shall bind the parties hereto, irrespective of the attachment, filing, perfection or lack thereof of the security interests, liens or other interests held by the parties under their respective loan documentation.

6. Notice of Default and Opportunity to Cure. Subordinated Lender expressly agrees to deliver to Senior Lender a copy of any notice of default under the Subordinated Loan Documents and to afford Senior Lender the same opportunity to cure as is afforded Borrower under the Subordinated Loan Documents. Subordinated Lender agrees to accept performance by Senior Lender as performance and cure of any such defaults under the Subordinated Loan Documents. Senior Lender expressly agrees to deliver to the Subordinated Lender a copy of any notice of default under the Senior Loan Documents and to afford Subordinated Lender the same opportunity to cure as is afforded Borrower under the Senior Loan Documents. Senior Lender agrees to accept performance by Subordinated Lender as performance and cure of any such defaults under the Senior Loan Documents.

7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8. Amendments, Changes or Modifications. Except as otherwise herein provided, this Agreement may be effectively amended, changed, modified, altered or terminated only in writing signed by the party against whom enforcement of such amendment, change or modification is sought. No amendments, changes, alterations or modifications may be made to the Senior Loan Documents without the prior written consent of the Subordinated

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STATE OF Illinois)
) SS
COUNTY OF Cook)

On this 23 day of January, in the year of 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared FRAVON KROSS personally known to me (or proved to me on the basis of satisfactory evidence) to be an Authorized Signer of the Subordinated Lender, who executed the within instrument on behalf of said Subordinated Lender, and acknowledge to me to be the free and voluntary act and deed of the Subordinated Lender and on oath stated that he or she is authorized to execute the within instrument and in fact executed the instrument on behalf of the Subordinated Lender.



Suzanne L. Stahl-Braley
Signature

Suzanne L. Stahl-Braley
Name (Typed or Printed)

Notary Public in and for said County and State

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Lender.

9. Governing Law. This Agreement shall be construed in accordance with the laws of the State of ILLINOIS.

10. Recitals. The above Recitals are true and correct as of the date hereof and constitute part of this Agreement.

11. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon each of the parties hereto and their respective successors and assigns.

12. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be the original, and all of which shall constitute but one in the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

Borrower:

By: Kenneth Reed

By: [Signature]
Its: Authorized Signatory

Senior Lender:

By: [Signature]

Name: CLEO STANLEY

Title: A VICE PRESIDENT

Subordinated Lender:

By: [Signature]

Name: FRANK J KROES

Title: PRESIDENT

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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 2 IN BLOCK 17 IN IRVING PARK, A SUBDIVISION OF THE SOUTH EAST $\frac{1}{4}$ OF SECTION 15 AND THE NORTH $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX IDENTIFICATION NUMBER: 13-15-414-013-0000.

PROPERTY ADDRESS: 4154 N. TRIPP, CHICAGO, IL 60641.

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