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Doc#: 0601927125 Fee: \$38.50  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 01/19/2006 03:09 PM Pg: 1 of 8

This Document Prepared by  
and after Recording Return to:

Courtney E. Mayster  
Schain, Burney, Ross & Citron, Ltd.  
222 North LaSalle Street  
Suite 1910  
Chicago, Illinois 60601

## SUBORDINATION OF GROUND LEASE AGREEMENT

**THIS SUBORDINATION OF GROUND LEASE AGREEMENT** is made and entered into as of the 28<sup>th</sup> day of September, 2005 by **WILMONT DEVELOPMENT LLC**, an Illinois limited liability company ("Tenant"), **918-920 THC LLC**, an Illinois limited liability company and **922-924 LLC LLC**, an Illinois limited liability company (collectively, "Landlord"), and **MB FINANCIAL BANK, N.A.**, its successors and assigns ("Mortgagee").

### RECITALS

A. Mortgagee is the holder of a certain Leasehold Mortgage, Assignment of Leases and Rents, and Security Agreement dated as of even date herewith, to be recorded concurrently herewith (as amended from time to time "Mortgage") encumbering the Leased Premises (hereinafter defined) and securing a principal indebtedness in an amount equal to **Four Million Seven Hundred Thirty Five Thousand Two Hundred Forty Four and 39/100 Dollars (\$4,735,244.39)**.

B. Tenant has entered into a ground lease agreement (such lease agreement hereinafter being referred to as "Lease Agreement," and the Lease Agreement, together with all amendments and modifications thereof, hereinafter being referred to as "Lease") dated of even date herewith with Landlord (or Landlord's predecessor-in-interest), pursuant to which Tenant leased certain real property and the improvements located thereon (collectively, the "Leased Premises") as legally described on Exhibit "A" attached hereto and incorporated herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Tenant represents and warrants to Mortgagee that the Lease constitutes the entire agreement between Tenant and Landlord with respect to the Leased Premises and there are no other agreements, written or verbal, governing the tenancy of Tenant with respect to the Leased Premises.

2. Tenant has executed and delivered to Mortgagee a certain Tenant Estoppel Certificate (the "Estoppel Certificate") dated on or about the date hereof. The provisions of the

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Estoppel Certificate are hereby incorporated into this Agreement as if fully set forth in this Agreement in their entirety, and Tenant acknowledges that Mortgagee will be relying on the statements made in the Estoppel Certificate in determining whether to disburse the proceeds of the loan secured by the Mortgage and whether to enter into this Agreement.

3. Tenant covenants with Mortgagee that the Lease shall be subject and subordinate to the lien and all other provisions of the Mortgage and to all modifications and extensions thereof, to the full extent of all principal, interest and all other amounts now or hereafter secured thereby and with the same force and effect as if the Mortgage had been executed and delivered prior to the execution and delivery of the Lease. Without limiting the generality of the foregoing subordination provision, Tenant hereby agrees that any of its right, title and interest in and to insurance proceeds and condemnation awards (or other similar awards arising from eminent domain proceedings) with respect to damage to or the condemnation (or similar taking) of any of the Leased Premises shall be subject and subordinate to Mortgagee's right, title and interest in and to such proceeds and awards. Tenant covenants with Mortgagee that Tenant will not mortgage, pledge, grant a security interest in, or otherwise encumber any portion of the Leased Premises, or its interest therein, without the prior written consent of Mortgagee, and that any such action shall constitute an event of default hereunder.

4. Tenant acknowledges that Landlord has collaterally assigned to Mortgagee all leases affecting the Leased Premises, including the Lease, and the rents and other amounts, including, without limitation, lease termination fees, if any, due and payable under such leases. In connection therewith, Tenant agrees that upon receipt of a notice of a default by Landlord under such assignment and a demand by Mortgagee for direct payment to Mortgagee of the rents due under the Lease, Tenant will honor such demand and make all subsequent rent payments directly to Mortgagee. Tenant further agrees that any Lease termination fees payable under the Lease shall be paid jointly to Landlord and Mortgagee.

5. Tenant acknowledges that an Event of Default under the Lease shall constitute an "Event of Default" under the Mortgage, and in such event Mortgagee shall have the right to exercise all of its remedies thereunder.

6. Landlord and Tenant acknowledge and agree that, notwithstanding the terms of the Lease, upon the occurrence of an Event of Default hereunder or under the Mortgage, the Lease shall be deemed to have been automatically terminated and Tenant shall cease to have any rights or interests thereunder or in and to the Leased Premises or any improvements located thereon.

7. Any notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Mortgagee: MB Financial Bank  
6111 North River Road  
Rosemont, Illinois 60018

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Attention: Vincent G. Laughlin

with a copy to: Schain, Burney, Ross & Citron, Ltd.  
222 North LaSalle Street  
Suite 1910  
Chicago, Illinois 60601  
Attn: David J. O'Keefe

To Landlord: 918-920 THC LLC  
922-924 THC LLC  
1405 West Diversey Parkway  
Chicago, Illinois 60614  
Attn: David LaBunski

To Tenant: Wilmont Development LLC  
1405 West Diversey Parkway  
Chicago, Illinois 60614  
Attn: David LaBunski

with a copy to: Field and Goldberg, LLC  
16 South LaSalle Street  
Suite 2916  
Chicago, Illinois 60603  
Attention: Justin Newman

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. Notices shall be deemed to have been given and effective on the date of delivery if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, or two (2) business days after the date of mailing shown on the certified receipt, if mailed.

8. Tenant acknowledges and agrees that Mortgagee will be relying on the representations, warranties, covenants and agreements of Tenant contained herein and that any default by Tenant hereunder shall permit Mortgagee, at its option, to exercise any and all of its rights and remedies at law and in equity against Tenant and to join Tenant in a foreclosure action thereby terminating Tenant's right, title and interest in and to the Leased Premises.

9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns and any nominees of Mortgagee, all of whom are entitled to rely upon the provisions hereof. This Agreement shall be governed by the laws of the State of Illinois.

10. This Agreement may be executed in multiple counterparts and all of such counterparts together shall constitute one and the same Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

TENANT:

**WILMONT DEVELOPMENT LLC**, an Illinois limited liability company

By: David Labunski  
Name: David Labunski  
Title: Manager

LANDLORD:

**918-920 THC LLC**, an Illinois limited liability company

By: **The Fullerton Hotel Corporation**, an Illinois corporation  
Its: Manager

By: David Labunski  
Name: David Labunski  
Its: President

**922-924 THC LLC**, an Illinois limited liability company

By: **924 West Belmont Corporation**, an Illinois corporation  
Its: Manager

By: David Labunski  
Name: David Labunski  
Its: President

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MORTGAGEE:

**MB FINANCIAL BANK, N.A.**

By: Andrea Bender  
Name: Commercial Banking Offices  
Its: Andrea Bender

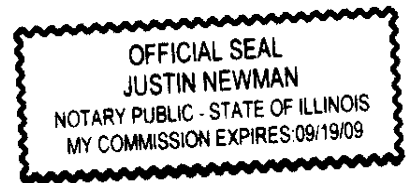
Property of Cook County Clerk's Office

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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Justin Newman, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that **David Labunski**, Manager of **WILMONT DEVELOPMENT LLC**, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing **Subordination of Ground Lease Agreement**, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of said company and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 28<sup>th</sup> day of September, 2005.



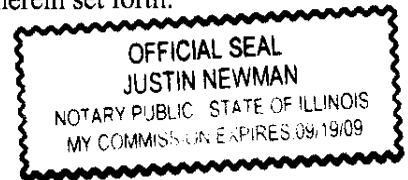
*[Handwritten Signature]*

Notary Public

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Justin Newman, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Labunski, Manager of **The Fullerton Hotel Corporation**, an Illinois corporation, Manager of **918 225 THC LLC**, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing **Subordination of Ground Lease Agreement**, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of said company and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 28<sup>th</sup> day of September, 2005.



*[Handwritten Signature]*

Notary Public

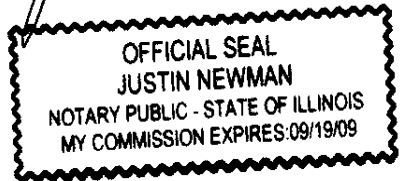
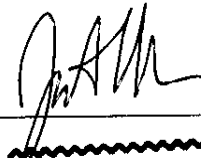
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STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, Justin Newman, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Labuski, Manager of **924 West Belmont Corporation**, an Illinois corporation, Manager of **922-924 THC LLC**, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing **Subordination of Ground Lease Agreement**, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument, on behalf of said company and as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 28<sup>th</sup> day of September, 2005.

\_\_\_\_\_  
Notary Public

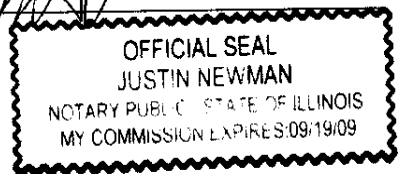
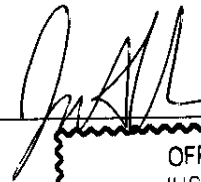


STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, ~~David Labuski~~ Justin Newman, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Labuski, Manager of **MB FINANCIAL BANK, N.A.**, personally known to me to be the same person whose name is subscribed to the foregoing **Subordination of Ground Lease Agreement**, appeared before me this day in person and acknowledged that s/he signed, sealed and delivered the said instrument, on behalf of said company and as her/his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal, this 28<sup>th</sup> day of September, 2005.

\_\_\_\_\_  
Notary Public



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## EXHIBIT "A"

### LEGAL DESCRIPTION

PARCEL 1:

LOTS 19 AND 20 IN THE SUBDIVISION OF LOT 1 IN THE RESUBDIVISION OF BLOCK 2 IN HAMBLETON, WESTON AND DAVIS SUBDIVISION OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 21 AND 22 IN M.L. SCHUDDERS JR SUBDIVISION OF LOT 1 IN THE RESUBDIVISION OF BLOCK 2 IN HAMBLETON, WESTON AND DAVIS SUBDIVISION OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 14-20-426-017-0000  
14-20-426-016-0000

ADDRESS: 918-920 WEST BELMONT AVENUE  
CHICAGO, ILLINOIS