



Project No. 97-05

Doc#: 0603849080 Fee: \$50.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/07/2006 11:05 AM Pg: 1 of 3

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SUBORDINATION AGREEMENT

(3)
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This Subordination Agreement (the "Agreement") is made and entered into this 6th day of JANUARY, 2006 by and between Encore Credit Corporation (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 January 25, 2001 from Lesley A. McCain, as Mortgagors, (the "Borrowers"), to the North West Housing Partnership, as Mortgagee, recorded in Cook County, Illinois as Document Number 99036013 and concerning real property in Cook County, Illinois commonly known as 160 E. Cunningham, Palatine, Illinois, 60067 and which is legally described as follows:

Legal Description:

LOT 39 IN PEPPER TREE FARMS UNIT NO. 3, BEING A SUBDIVISION OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT 20883078, IN COOK COUNTY.

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which mortgage secures the payment of a note in the original principal sum of Thirty nine thousand eight hundred forty five and 00/100 Dollars (\$39,845.00) executed by Lesley A. McCain, made payable to the North West Housing Partnership.

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__, Lesley A. McCain, as Mortgagor, to Encore Credit Corporation as Mortgagee, which said mortgage secures the payment of a note in the amount of One hundred fifty three thousand one hundred ninety five and no cents Dollars (\$153,195.00) 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 three thousand one hundred ninety five and no cents Dollars (\$153,195.00) but also any and all interest, late charges, attorney's fees, advances for real estate taxes or

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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 describe in paragraph 1. of this Agreement shall be taken as second and inferior to the lien of the mortgage described in paragraph 2. 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. 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

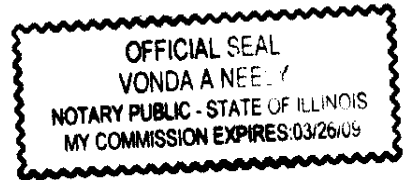
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any right hereunder with respect to a particular payment shall affect or impair its rights in any other documents or matters occurring at any time.

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 5th day of JANUARY, 2006



Cook County, ILLINOIS

BY: [Signature]
Holly Fraccaro, Executive Director

ATTEST: [Signature]
Brandon Gill, Project Manager

(SEAL)

Encore Credit Corporation

BY: _____

ITS: _____

ATTEST: _____

(SEAL)

ITS: _____

-Prepared by:

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