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Doc#: 0605318009 Fee: \$40.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 02/22/2006 10:43 AM Pg: 1 of 9

This document prepared by and after recording return to:
Juan Carlos Linares, Esq.
Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the 21st day of February, 2006 between the City of Chicago by and through its Department of Planning and Development (the "City"), and National City Bank of the Midwest, N.A., a national banking association (the "Lender").

W I T N E S S E T H:

WHEREAS, The Developer intends to undertake the redevelopment project described in Exhibit B (the "Project") of the CityEscape Redevelopment Agreement (the "Redevelopment Agreement") of even date herewith between the City and the Developer and recorded on February 22, 2006 in the Office of the Recorder of Cook County, Illinois as document number 0605318008 with respect to certain property owned or leased by the Developer located within the Redevelopment Area and commonly known as 3022 West Lake Street and legally described on Exhibit A attached hereto (the "Property") and Exhibit C of the Redevelopment Agreement. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out in accordance with this Agreement and the City of Chicago Kinzie Industrial Corridor Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan").;

WHEREAS, Lender and CityEscape Garden and Design ~~Center~~, LLC (the "Borrower"), have entered into a certain Loan Agreement dated as of FEBRUARY 21, 2006 pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$2,436,000 (the "Loan"), which Loan is evidenced by a Commercial Time Note, dated as of February 21, 2006 and executed by the Borrower to the order of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated as of February 21, 2006 and recorded on February 22, 2006 in the Office of the Recorder of Cook County, Illinois as document number 0605318006 made by the Borrower to the Lender; and (ii)

Box 400-CTCC

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Assignment of Rents and Leases dated as of February 21, 2006 and recorded on February 22, 2006 in the Office of the Recorder of Cook County, Illinois as document number 0605318007 made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer has entered into the certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 7.2, 8.05 and 8.14 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to the Lender's exercising its rights pursuant to the Loan Documents.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein. The failure by the Lender to provide any such copies of notices or waivers shall not preclude the Lender from exercising any right or remedy under the Lender's Loan Documents or impair the enforceability,

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three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

NATIONAL CITY BANK OF THE MIDWEST,
N.A.

By: *Juan C. Cortez*

Its: ASSISTANT VICE PRESIDENT

CITY OF CHICAGO

By:

Its: _____ Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
21st DAY OF FEBRUARY, 2006

CITYESCAPE GARDEN AND DESIGN, LLC,
an Illinois limited liability company

By: *Connie Ruire*

Its: *Managing Member*

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

NATIONAL CITY BANK OF THE MIDWEST, N. A.

By: _____

Its: _____

CITY OF CHICAGO

By: Rui S. Healey _____

Its: _____ Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
21 DAY OF FEBRUARY, 2006

CITYESCAPE GARDEN AND DESIGN, LLC,
an Illinois limited liability company

By: _____

Its: _____

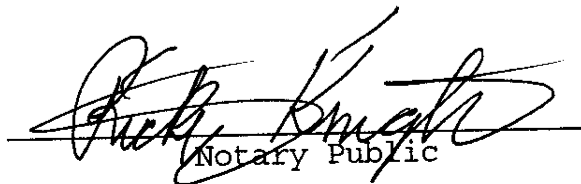
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Lori T. Healey, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, she signed and delivered the said instrument pursuant to authority given to her, as her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21st day of February, 2006.


Notary Public

(SEAL)

Official Seal
Ricky Knight
Notary Public State of Illinois
My Commission Expires 06/21/2009

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, FRANCES S. GRIFFIN a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY Juan C. Cortez, personally known to me to be the A.V.P. of National City Bank of the Midwest, N.A., a national banking association, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21st day of February, 2006.

Frances S. Griffin

Notary Public



My Commission Expires 12/29/09

(SEAL)

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EXHIBIT A - LEGAL DESCRIPTION

LOT 52 IN THE SUBDIVISION OF BLOCK 9 IN D.S. LEE AND OTHERS
SUBDIVISION OF THE SOUTHWEST 1/4 SECTION OF 12, TOWNSHIP 39
NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS, ALSO THE WEST ½ OF THAT PART OF THE NORTH AND
SOUTH 20 FEET PUBLIC ALLEY LYING EAST AND ADJOINING THE EAST LINE
OF LOT 52 AFORESAID, AND NORTHERLY OF THE CENTERLINE OF THE
VACATED ALLEY SOUTHERLY OF LOT 91 IN FLINT'S ADDITION TO CHICAGO
OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 13
EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known and numbered as : 3022 W. Lake Street

Permanent Index Number: 16-12-313-027

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