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THIS INSTRUMENT PREPARED BY
AND PLEASE RETURN TO:
JENNIFER L. WORSTELL, ESQ.
100 WEST MONROE STREET #1500
CHICAGO, ILLINOIS 60603



Doc#: 0621243095 Fee: \$46.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/31/2006 08:52 AM Pg: 1 of 12

Property of Cook County Official SUBORDINATION AGREEMENT

THIS AGREEMENT is executed on 7-14, 2006, among BUILDERS CAPITAL, LLC, an Illinois limited liability company ("Junior Lender"), NANKIM INVESTMENTS CORP., INC., an Illinois corporation ("NanKim"), 6816-18 N. ASHLAND, LLC, an Illinois limited liability company ("LLC"), and LABE BANK, an Illinois banking corporation ("Senior Lender"), for the benefit of Senior Lender. NanKim and LLC are collectively referred to herein as "Mortgagors."

WITNESSETH:

A. Concurrently herewith, Senior Lender is granting to NanKim a construction loan in the amount of \$3,491,176.00, to be secured by the property commonly known as 7357-65 N. Ashland/1547 W. Jarvis, Chicago, Illinois ("Parcel No. 1") which is owned by NanKim, and the property commonly known as 6816-18 N. Ashland, Chicago, Illinois ("Parcel No. 2"), which is owned by LLC. Parcel No. 1 and Parcel No. 2 are legally described on Exhibit A attached hereto and are sometimes collectively referred to herein as the "Real Estate."

B. On April 26, 2005, Senior Lender granted a loan to NanKim secured by a mortgage on Parcel No. 1 ("Parcel No. 1 Senior Mortgage") and other security documents ("Parcel No. 1 Senior Security Documents"). The Parcel No. 1 Senior Mortgage was recorded with the Cook County Recorder of Deeds on May 10, 2005 as Document No. 0513042243. The loan secured by the Parcel No. 1 Senior Security Documents has a current outstanding balance of \$1,546,593.00.

C. On September 2, 2004, Senior Lender granted a loan to LLC secured by a mortgage on Parcel No. 2 ("Parcel No. 2 Senior Mortgage") and other security documents ("Parcel No. 2 Senior Security Documents"). The Parcel No. 2 Senior Mortgage was recorded with the Cook County Recorder of Deeds on September 9, 2004 as Document No. 0425345040. The loan secured by the Parcel No. 2 Senior Security Documents has a current outstanding balance of \$1,115,773.99.

BOX 334 CTI

Handwritten notes on the left margin: "CJ", "DIT", "4678248", "CJ", "3085".

Handwritten initials "JALC" on the right margin.

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D. Junior Lender is the holder of the following security documents (collectively "Parcel No. 1 Junior Security Documents") affecting Parcel No. 1:

1. Construction Loan Agreement;
2. Promissory Note in the amount of \$496,650;
3. Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing covering Parcel No. 1, which was recorded with the Cook County Recorder of Deeds on May 5, 2005 as Document No. 0513042247;
4. a Loan Modification Agreement regarding Parcel No. 1 and the real estate commonly known as 6812-14 and 6816-18 N. Ashland Avenue, Chicago, Illinois;
5. a UCC Financing Statement;
6. Guaranties of Payment and Completion of:
 - (a) Leigh Kimball Davis; and
 - (b) Nancy D. Davis;
7. an Environmental, ADA and ERISA Indemnification Agreement; and
8. an Assignment of Project Documents.

Junior Lender is also the holder of the following security documents (collectively "Parcel No. 2 Junior Security Documents") affecting Parcel No. 2:

1. Construction Loan Agreement;
2. Promissory Note in the amount of \$314,925;
3. Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing covering Parcel No. 2, which was recorded with the Cook County Recorder of Deeds on September 9, 2004 as Document No. 045345042;
4. UCC Financing Statement covering the personal property on Parcel No. 2;
5. Guaranties of Payment and Completion of:
 - (a) Leigh Kimball Davis;
 - (b) Nancy D. Davis; and
 - (c) NanKim;
6. Environmental, ADA and ERISA Indemnification Agreement; and
7. Assignment of Project Documents.

E. The Parcel No. 2 Junior Security Documents were subordinated to the Parcel No. 2 Senior Security Documents by a Subordination Agreement ("Original Parcel No. 2 Subordination Agreement") executed by Junior Lender and Senior Lender on September 2, 2004 and recorded with the Cook County Recorder of Deeds on September 15, 2004 as Document No. 0425932049.

The Parcel No. 1 Junior Security Documents and Parcel No. 2 Junior Security Documents (collectively "Junior Security Documents") are encumbrances against the Real Estate, together with the buildings and improvements located thereon (collectively the "Mortgaged Property").

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F. It is a requirement of Senior Lender that the Junior Security Documents are subject and inferior to the Parcel No. 1 Senior Security Documents, the Parcel No. 2 Senior Security Documents, and the following documents in favor of Senior Lender executed concurrently herewith (collectively "Senior Security Documents") affecting the Real Estate:

1. Construction Loan Agreement ("Senior Loan Agreement");
2. Promissory Note in the amount of \$3,491,176.00 ("Senior Note");
3. Two (2) Real Estate Mortgages, Assignments of Rents, Security Agreements and UCC Fixture Filings covering the Real Estate (collectively the "Senior Mortgages");
4. UCC Authorizations;
5. Environmental, ADA and ERISA Indemnification Agreements executed by Mortgagors;
6. an Assignment of Project Documents;
7. a Certification of No Management Agreement;
8. an Assignment of Real Estate Sale Contracts; and
9. such other documents and items as are being required by Senior Lender.

The existing Parcel No. 2 Senior Security Documents must be superior to the existing Parcel No. 2 Junior Security Documents.

G. As a condition to Senior Lender's approval of the Loan secured by the Mortgaged Property, Senior Lender has required that Junior Lender execute this Agreement to confirm the priority of the Senior Security Documents over the Junior Security Documents and to confirm certain other agreements of the parties.

NOW THEREFORE, in consideration of Senior Lender's approval of the Loan and Senior Lender's approval of the placement of the Junior Security Documents on the Mortgaged Property, Junior Lender does hereby covenant and agree with Senior Lender as follows:

1. The Junior Security Documents and any and all of the terms, modifications, amendments, renewals, additions, consolidations and extensions of the foregoing Junior Security Documents shall be subject and subordinate to all liens and security interests created under the Senior Security Documents for all sums which may be advanced, payable (including, without limitation, fixed, additional and contingent interest and prepayment premiums of all kinds) or secured thereunder (including, without limitation, sums advanced to protect, perfect, preserve or defend such liens or security interests), without notice to the holders of the Junior Security Documents and to any and all modifications, amendments, renewals, additions, consolidations, extensions and replacements of any of the Senior Security Documents.

2. Notwithstanding anything to the contrary contained in the Junior Security Documents:

(a) If any action or proceeding shall be brought to foreclose any of the Junior Security Documents, no tenant of any portion of the Mortgaged Property, no manager of the

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Mortgaged Property will be named as a party defendant in any such foreclosure action or proceeding, nor will any other action be taken with respect to any tenant of any portion of the Mortgaged Property, or with respect to any such manager, the effect of which would be to terminate any lease of any portion of the Mortgaged Property, or any such management agreement, without the consent of the holder of the outstanding Senior Security Documents.

(b) If any action or proceeding shall be brought to foreclose the Junior Security Documents, no portion of the rents, issues and profits of the Mortgaged Property shall be collected except through a receiver appointed by the Court in which such foreclosure action or proceeding is brought, after due notice of the application for the appointment of such receiver shall have been given to the holder of the outstanding Senior Security Documents; and that the rents, issues and profits so collected by such receiver shall be applied to the payment of maintenance and operating charges and disbursements incurred in connection with the operation and maintenance of the Mortgaged Property, and then to the payment of the indebtedness due and owing on, or to become due and owing on, the Senior Security Documents; and, if during the pendency of any such foreclosure action or proceeding, an action or proceeding shall be brought by the holder of the Senior Security Documents for the foreclosure of such Senior Security Documents and an application is made for an extension of such receivership for the benefit of the holder of such Senior Security Documents, all such rents, issues and profits held by such receivers of the date of such application shall be applied by the receiver solely for the benefit of the holder of such Senior Security Documents and the holders of the Junior Security Documents shall not be entitled to any portion thereof.

(c) If a notice of default or any action or proceeding shall be brought to foreclose the Junior Security Documents, due notice of such notice of default or of the commencement of such action or proceeding will be given to the holder of the outstanding Senior Lender Loan Documents and true copies of all such notices and all papers served or entered in any such action or proceeding will be served upon the holder of such Senior Security Documents.

(d) In the event the holder of the Senior Security Documents shall release, for the purposes of restoration of all or any part of the Mortgaged Property, its right, title and interest in and to the proceeds under policies of insurance thereon, and/or in and to any awards, or in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, the holders of the Junior Security Documents shall likewise for such purpose releases all of their rights, title and interest, if any, in and to such insurance proceeds or awards.

(e) Any assignment of rents or leases contained in the Junior Security Documents, or in any collateral assignment thereof if separate therefrom, shall be in all respects subject and subordinate to the Senior Security Documents and any collateral assignment of such rents or leases if separate therefrom.

(f) The holders of the Junior Security Documents shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in the Mortgaged Property which is or may be prior in right to the Senior Security Documents, including, without limitation,

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advances for real estate taxes and assessments or advances to cure any default under the Senior Security Documents.

(g) If there is proposed any amendment, modifications, consolidation, extension or alteration of the terms of the Junior Security Documents, then, prior to making any such amendment, modification, consolidation, extension or modification, Mortgagor and Junior Lender shall obtain the consent of the holder of the Senior Security Documents and further shall be required to: (i) have any guarantor of the Senior Security Documents consent to same, and (ii) provide evidence satisfactory to the holder of the Senior Security Documents that foreclosure of the Junior Security Documents will not terminate or constitute a default under any lease or management agreement.

(h) All provisions of the Junior Security Documents relating to the rights of the holders of the Junior Security Documents to receive insurance proceeds and condemnation awards or to have such insurance proceeds and condemnation awards assigned to such holder, or to determine the application or use of such insurance proceeds and condemnation awards (whether to restoration, costs or as and to the extent provided in the Senior Security Documents, the sums secured by such Senior Security Documents) shall have no force of effect until satisfaction and discharge of all obligations under the Senior Security Documents and release of the security interests set forth therein.

(i) The indebtedness secured by the Junior Security Documents shall be limited to the principal amount of the promissory notes or instruments evidencing grants secured by the Junior Security Documents in the aggregate amount of \$811,575.00 plus certain accrued but unpaid interest. No other indebtedness of Mortgagor and no other further advances, if made, shall be secured by the lien of the Junior Security Documents.

(j) To further evidence the subordination referred to in (a) through (i) above, Junior Lender agrees that, within twenty (20) days after request by the holder of the Senior Security Documents (which requests may be made from time to time, including, such times as future advances may be made to the Mortgagor by Senior Lender) it will do, execute, acknowledge and deliver any and all such further acts, deeds, conveyances and instruments, or reaffirmations of this subordination, as the holder of such Senior Security Documents may reasonably request for the better assuring and evidencing of the foregoing subordinations.

(k) In no event shall the provisions of the Junior Security Documents prohibit or restrict Mortgagor from executing, acknowledging and delivering all and every such further acts, deeds, conveyances and instruments that Mortgagor is obligated to deliver under the Senior Security Documents.

(l) The holders of the Senior Security Documents and the Junior Security Documents shall send true copies of all default or acceleration notices, or of notices of the commencement of any action or proceeding under the Senior Security Documents or Junior Security Documents, and of all papers served or entered in any such action or proceeding, to the holder of the Senior Security Documents and Junior Security Documents, in the manner for notices specified herein, contemporaneously with sending or serving the same to or on

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Mortgagor, or entering the same in such action or proceeding. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified mail to the addresses hereafter set forth or to such other place as any party hereto may by notice in writing designate, shall constitute service of notice hereunder:

IF TO SENIOR LENDER: Labe Bank
4343 N. Elston Avenue
Chicago, IL 60641
Attn: Loan Operations

IF TO MORTGAGORS: NanKim Investment Corp., Inc.
4266 W. Thorndale
Chicago, Illinois 60646
Attn: L. Kimball Davis

6816-18 N. Ashland Avenue LLC
4266 W. Thorndale
Chicago, Illinois 60646
Attn: L. Kimball Davis

IF TO JUNIOR LENDER: Builders Capital, LLC
210 Quail Ridge Drive
Westmont, Illinois 60559
Attn: Dennis J. Daly, Jr.

(m) If a default shall occur beyond applicable grace periods under either of the Junior Security Documents, the holder of the Junior Security Documents shall not accelerate the debt secured by the Junior Security Documents without notifying the holder of the Senior Security Documents of such fact and giving the latter at least ten (10) days to cure the specified default and shall accept any cure of the default tendered by or on behalf of the holder of such Senior Security Documents subject to the additional limitations set forth in the Junior Security Documents.

(n) Within five (5) days after request from the holder of the Senior Security Documents, the holder of the Junior Security Documents shall execute and deliver to the former an estoppel certificate stating: (i) the outstanding principal balance of the Junior Security Documents and any accrued but unpaid interest thereon, (ii) the date to which interest and principal has been paid, (iii) that the Junior Security Documents and promissory notes thereby secured have not been modified or amended, except as specified therein, and (iv) whether a notice of default has been sent under the Junior Security Documents, as the case may be, or the promissory notes thereby secured, which default remains uncured.

3. All of the foregoing subordination provisions and other agreements in this Subordination are for the express benefit of Senior Lender and any future holder of the Senior Security Documents. The Original Parcel No. 2 Subordination Agreement remains in full force and effect.

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4. In the event of any conflict between the provisions of this Subordination and any other provisions of the Junior Security Documents, the provisions of this Subordination shall take priority and shall control and apply.

IN WITNESS WHEREOF, Junior Lender, Mortgagors and Senior Lender have caused this Agreement to be executed as of the day and year Senior above written.

SENIOR LENDER:

Labe Bank, an Illinois banking corporation

By: *Yorke Blagore*
Its *Vice President*

Attest: *[Signature]*
Its *A.U.P.*

JUNIOR LENDER:

Builders Capital, LLC, an Illinois limited liability company

By: *[Signature]*
Denis J. Daly, Jr., Managing Member

MORTGAGOR:

NanKim Investments Corp., Inc., an Illinois corporation

By: _____
Its _____

Attest: _____
Its _____

MORTGAGOR:

6816-18 N. Ashland, LLC, an Illinois limited liability company

By: _____
Its _____

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4. In the event of any conflict between the provisions of this Subordination and any other provisions of the Junior Security Documents, the provisions of this Subordination shall take priority and shall control and apply.

IN WITNESS WHEREOF, Junior Lender, Mortgagors and Senior Lender have caused this Agreement to be executed as of the day and year Senior above written.

SENIOR LENDER:

Labe Bank, an Illinois banking corporation

By: [Signature]
Its Vice President

Attest: [Signature]
Its A.V.P.

JUNIOR LENDER:

Builders Capital, LLC, an Illinois limited liability company

By: _____
Denis J. Daly, Jr., Managing Member

MORTGAGOR:

NanKim Investments Corp., Inc., an Illinois corporation

By: [Signature]
Its _____

Attest: _____
Its _____

MORTGAGOR:

6816-18 N. Ashland, LLC, an Illinois limited liability company

By: [Signature]
Its _____

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that L Kimball and DAVIS, _____ and _____ of NanKim Investments Corp., Inc., an Illinois corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 7/17, 2006.

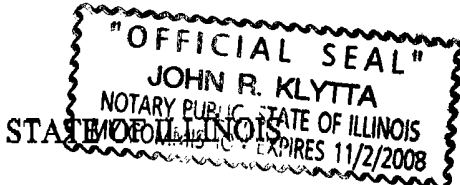


[Signature]
Notary Public
SS

COUNTY OF COOK)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that L KIMBALL DAVIS of 6816-18 N. Ashland, LLC, an Illinois limited liability company, 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 s/he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes set forth.

GIVEN under my hand and Notarial Seal _____, 2006.

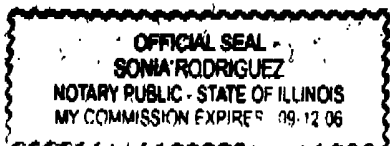


[Signature]
Notary Public
SS

COUNTY OF COOK)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Gordie Blaggen and Randy Lehne, Vice-President and A.V.P. of Labe Bank, an Illinois banking corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 14th of July, 2006.



[Signature]
Notary Public

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STATE OF ILLINOIS)
)
 COUNTY OF C O O K)

SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that _____ and _____, _____ and _____ of NanKim Investments Corp., Inc., an Illinois corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal _____, 2006.

 Notary Public

STATE OF ILLINOIS)
)
 COUNTY OF C O O K)

SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that _____ of 6816-18 N. Ashland, LLC, an Illinois limited liability company, 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 s/he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes set forth.

GIVEN under my hand and Notarial Seal _____, 2006.

 Notary Public

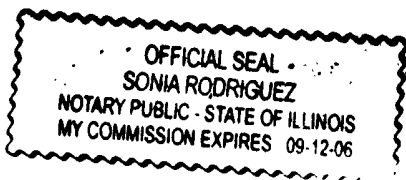
STATE OF ILLINOIS)
)
 COUNTY OF C O O K)

SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Gordie Blagojevic and Randy Lehne, V.P. and A.V.P. of Labe Bank, an Illinois banking corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 17th of July, 2006.

Sonia Rodriguez
 Notary Public



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STATE OF ILLINOIS)
)
COUNTY OF COOK)

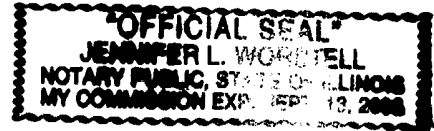
SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Denis J. Daly, Jr., Managing Member of Builders Capital, LLC, an Illinois limited liability company, 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 signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 7-14, 2006.

Jennifer L. Wortell

Notary Public



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EXHIBIT A LEGAL DESCRIPTION

PARCEL 1:

LOT 5 IN BLOCK 9 IN F. H. DOLAND'S SUBDIVISION OF 590.00 FEET EAST OF AND ADJOINING THE WEST 175.00 FEET OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, SOUTH OF THE CHICAGO MILWAUKEE AND ST. PAUL (CHICAGO AND EVANSTON RAILROAD) IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 7357-65 N. Ashland, Chicago, Illinois
P.I.N.: 11-29-313-001-0000

THE WEST 25 FEET OF LOT 4 IN BLOCK 9 IN F. H. DOLAND'S SUBDIVISION OF 590.00 FEET EAST OF AND ADJOINING THE WEST 175.00 FEET OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, SOUTH OF THE CHICAGO MILWAUKEE AND ST. PAUL (CHICAGO AND EVANSTON RAILROAD) IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 1547 W. Jarvis, Chicago, Illinois
P.I.N.: 11-29-313-002-0000

PARCEL 2:

UNIT NUMBERS 1B, 2A, 3A, 4A, 4B, 1C, 2C, 3C, 3D AND 4D IN THE KELSEY COURT II CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND:

LOT 4 IN BLOCK 43 IN ROGERS PARK, BEING A SUBDIVISION OF SECTION 30 LYING SOUTH OF THE INDIAN BOUNDARY LINE, THE NORTHEAST 1/4 AND PART OF THE NORTHWEST 1/4 OF SECTION 31 AND ALSO THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 32 ALL IN TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED FEBRUARY 8, 2006 AS DOCUMENT NUMBER 0603934071, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 6816-18 N. Ashland, Chicago, Illinois
P.I.N.: 11-31-226-023-0000