

# UNOFFICIAL COPY

***This Document Prepared By And  
When Recorded Return To:***

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Doc#: 0714233224 Fee: \$40.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 05/22/2007 01:41 PM Pg: 1 of 9

ALP351293J/af/1

For Recorder's Use Only

## SUBORDINATION OF MORTGAGE

THIS SUBORDINATION OF MORTGAGE (this "**Agreement**") is dated as of the \_\_\_ day of February, 2007, by and between **HERITAGE COMMUNITY BANK**, an Illinois banking corporation ("**Senior Lender**"), and **LAURMEG LLC**, an Illinois limited liability company ("**Junior Lender**").

### **RECITALS:**

**WHEREAS**, SAKO II, L.L.C., an Illinois limited liability company ("**Borrower**"), is the owner of, certain real property legally described on **Exhibit A** attached hereto located in Cook County, Illinois and all improvements thereon (such real property, together with all other collateral for the Senior Loan (as such term is defined below) of any kind, are collectively referred to herein as the "**Property**"); and

**WHEREAS**, Senior Lender agreed to make a construction loan in the original principal amount of \$2,950,000.00 (the "**Senior Loan**") to Borrower pursuant to a Construction Note executed by Borrower payable to Senior Lender dated June 2, 2006 (the "**Senior Note**") in the original principal amount of \$2,950,000.00. The Senior Note is secured by, among other things, a Construction Mortgage executed by Borrower to and for the benefit of Lender encumbering the Property, and recorded in the Cook County Recorder's Office on August 1, 2006, as Document No. 0621333047 (the "**Senior Mortgage**"). The Senior Note, the Senior Mortgage, and any and all other documents and instruments heretofore or hereafter given to evidence and secure the Senior Loan, together with any extensions, modifications, substitutions and consolidations thereof (to the extent permitted hereunder), are hereinafter collectively referred to as the "**Senior Loan Documents**"; and

**WHEREAS**, Junior Lender agreed to make a loan to Borrower in the original principal amount of \$300,000.00 (the "**Junior Loan**"), which Junior Loan is evidenced by a Promissory Note executed by Borrower payable to Junior Lender dated June 2, 2006 (the "**Junior Note**") in the original principal amount of \$300,000.00. The Junior Note is secured by, among other things, a Mortgage executed by Borrower to and for the benefit of Junior Lender encumbering the Property, and recorded in the Cook County Recorder's Office on June 5, 2006, as Document No. 0615644064 (the "**Junior Mortgage**"). The Junior Note, the Junior Mortgage, and any and all other documents and instruments heretofore or hereafter given to evidence and secure the Junior Loan, together with any extensions, modifications, substitutions and consolidations thereof (to the extent permitted hereunder), are hereinafter collectively referred to as the "**Junior Loan Documents**"; and

**WHEREAS**, VLADAN SAVIC and ZIVKO KOVACEVIC (together with all other persons or entities (other than Borrower) that have any personal liability for the payment or performance of any obligations under the Senior Loan Documents, are jointly referred to herein as "**Guarantors**"), have

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guaranteed or otherwise assumed personal liability for the payment and/or performance of certain obligations under the Senior Loan Documents and under the Junior Loan Documents; and

**WHEREAS**, the Junior Mortgage has been erroneously recorded as a lien on title to the Property prior and superior to the lien of the Senior Mortgage, and Borrower, Guarantors, Senior Lender and Junior Lender have agreed to execute and record this Subordination of Mortgage in order to correct the status and priority of liens on title;

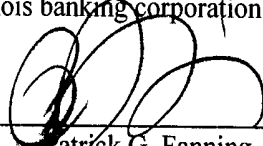
**NOW, THEREFORE**, in consideration of the mutual covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby covenant and agree that the lien of the Junior Mortgage shall be subordinated to the lien of the Senior Mortgage, and all rights and remedies provided for in the Junior Loan Documents shall be and remain subordinated to the lien of the Senior Mortgage and all rights and remedies provided for in the Senior Loan Documents.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the date first set forth above.

**SENIOR LENDER:**

**HERITAGE COMMUNITY BANK**, an Illinois banking corporation

By: \_\_\_\_\_

  
Patrick G. Fanning  
President

**JUNIOR LENDER:**

**LAURMEG, LLC**, an Illinois limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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guaranteed or otherwise assumed personal liability for the payment and/or performance of certain obligations under the Senior Loan Documents and under the Junior Loan Documents; and


**WHEREAS**, the Junior Mortgage has been erroneously recorded as a lien on title to the Property prior and superior to the lien of the Senior Mortgage, and Borrower, Guarantors, Senior Lender and Junior Lender have agreed to execute and record this Subordination of Mortgage in order to correct the status and priority of liens on title;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby covenant and agree that the lien of the Junior Mortgage shall be subordinated to the lien of the Senior Mortgage, and all rights and remedies provided for in the Junior Loan Documents shall be and remain subordinated to the lien of the Senior Mortgage and all rights and remedies provided for in the Senior Loan Documents.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the date first set forth above.

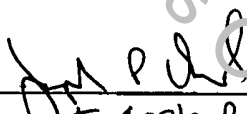
**SENIOR LENDER:**

**HERITAGE COMMUNITY BANK**, an Illinois banking corporation

By:  \_\_\_\_\_  
Patrick G. Fanning  
President

**JUNIOR LENDER:**

**LAURMEG, LLC**, an Illinois limited liability company

By:  \_\_\_\_\_  
Name: Joseph P. DeWitt  
Its: member


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## ACKNOWLEDGMENT OF BORROWER AND GUARANTORS

The undersigned hereby acknowledge receipt of a copy of the foregoing Agreement and the undersigned's agreement to all of the provisions therein contained.


### BORROWER:

SAKO II, L.L.C., an Illinois limited liability company

By:    
Vladan Savic  
Manager

By:    
Zivko Kovacevic  
Manager

### GUARANTORS:

  
VLADAN SAVIC, individually

  
ZIVKO KOVACEVIC, individually


Property of Cook County Clerk's Office

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STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Joe David, personally known to me to be the member of LAURMEG, LLC, an Illinois limited liability company, and the same person whose name is subscribed to the foregoing instrument as such member, appeared before me this day in person and acknowledged to me that he signed and delivered the foregoing instrument as his own and free voluntary act and as the free and voluntary act of said entity, for the uses and purposes therein set forth.

WITNESS my signature and official seal this 10<sup>th</sup> day of May, 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:  
\_\_\_\_\_

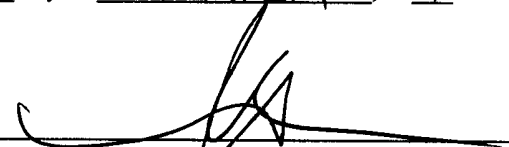


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STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that PATRICK G. FANNING, personally known to me to be the President of **HERITAGE COMMUNITY BANK**, an Illinois banking corporation, and the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged to me that he signed and delivered the foregoing instrument as his own and free voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

WITNESS my signature and official seal this 7<sup>th</sup> day of march, 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires:  
12/15/09



Property of Cook County Clerk's Office

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STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF Kane        )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that VLADAN SAVIC and ZIVKO KOVACEVIC, personally known to me to be the Managers of SAKO II, L.L.C., an Illinois limited liability company, and the same persons whose names are subscribed to the foregoing instrument as such Managers, appeared before me this day in person and acknowledged to me that they signed and delivered the foregoing instrument as their own and free voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

WITNESS my signature and official seal this 28 day of MARCH, 2007

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

02/09/08



Property of Cook County Clerk's Office

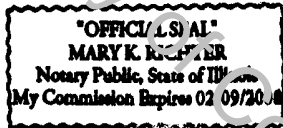
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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF Kane )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that VLADAN SAVIC, 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 to me that he signed and delivered the foregoing instrument as his own and free voluntary act, for the uses and purposes therein set forth.

WITNESS my signature and official seal this 28 day of MARCH, 2007

Mary K Richter  
NOTARY PUBLIC



My Commission Expires:

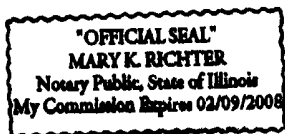
02/09/08

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF Kane )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that ZIVKO KOVACEVIC, 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 to me that he signed and delivered the foregoing instrument as his own and free voluntary act, for the uses and purposes therein set forth.

WITNESS my signature and official seal this 28 day of MARCH, 2007

Mary K Richter  
NOTARY PUBLIC



My Commission Expires:

02/09/08



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## EXHIBIT A

### LEGAL DESCRIPTION - THE PREMISES

LOTS 25 AND 26 IN BLOCK 1 IN T.J. GRADY'S GREEN BRIAR ADDITION TO NORTH EDGEWATER, BEING A SUBDIVISION OF THE EAST 20 ACRES OF THE EAST ½ OF THE WEST ½ OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common address: 6300 North Rockwell Street  
Chicago, Illinois 60659

Permanent Index No.: 13-01-203-035-0000