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Cook County Recorder 33.00



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THIS DOCUMENT PREPARED BY
AND UPON RECORDING MAIL TO:
David W. Diskin, Esq.
Ohio Savings Bank
Legal Department
1801 East Ninth St., Ste. 200
Cleveland, Ohio 44114

78.38.850 LMD/few 121 CTI No Abstract

Property of Cook County Clerk's Office

SUBORDINATION AGREEMENT

P.I.N.: 14-29-103-035
Common Address: 3048 North Greenview, Chicago, Illinois

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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Agreement") is dated as of October 13, 1999 between and among OSF Properties, Inc. (the "Subordinate Lender") and New Century Bank (the "Lender"), with respect to the following facts:

RECITALS

- A. 3048 ^{N.} Greenview, L.L.C., an Illinois limited liability company (the "Borrower") is the owner and holder of fee simple title in and to certain real property (the "Real Property") situated in the County of Cook, Illinois, and described in Exhibit A attached hereto.
- B. The Borrower has made, executed and delivered to the Subordinate Lender a certain Mortgage Note (the "Subordinate Note") dated as of October 13, 1999, in the principal amount of \$60,930.00 financing a loan made to the Borrower by the Subordinate Lender (the "Subordinate Loan"). The Subordinate Loan is further evidenced and secured by the following:
- i) Mortgage and Security Agreement, executed and delivered by the Borrower to the Subordinate Lender, dated October 13, 1999, filed as Document No. _____ with the Recorder of Cook County, Illinois. (the "Mortgage"); and
 - ii) Unconditional and Continuing Guaranty and Indemnity Agreement, executed and delivered by Barry B. Kreisler and Marsha Erenberg (the "Guaranty");

The Subordinate Note, Mortgage and Security Agreement, Unconditional and Continuing Guaranty and Indemnity Agreement and all other documents executed and delivered to the Subordinate Lender in connection with the Subordinate Loan and attached hereto as Exhibit B are collectively called the "Subordinate Loan Documents".

- C. Lender has made a loan ("Loan") to Borrower which is evidenced by a Promissory Note dated Oct. 13, 1999 in the original principal amount of \$600,000.00, executed by the Borrower (the "Note"), secured by a mortgage, recorded in the records of Cook County, Illinois at _____, and further evidenced and secured by other documents (collectively the Note and other documents evidencing and securing the Loan are called the "Loan Documents").
- D. Lender has agreed to consent to the Subordinate Loan provided that the Subordinate Lender has entered into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitations, and the agreements contained herein, and for other valuable consideration, and to induce Lender to consent to the Subordinate Loan, the parties hereby agree as follows:

1. Subordination. The Subordinate Loan Documents, and any renewals or extensions thereof and all indebtedness owed thereunder, shall be and hereby are subordinated and subject to the Loan Documents and any renewals or extensions thereof (subject to Section 4, below) and all indebtedness owed thereunder.

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2. Representations of the Subordinate Lender. The Subordinate Lender warrants and represents that it is the valid holder and owner of the entire interest in and to the Subordinate Loan Documents.
3. Representations of Lender. The Lender warrants and represents that it is the valid holder and owner of the entire interest in and to the Loan Documents, and that it has delivered to Subordinate Lender true, correct and complete copies of all such Loan Documents.
4. Lender's Covenants. Lender covenants and agrees for the benefit of the Subordinate Lender or any subsequent holder of the Subordinate Loan Documents, regardless of the provisions of the Loan Documents, as follows:
- A. Lender consents to the Subordinate Loan Documents;
 - B. Even after an Event of Default (as defined in the "Loan Documents"), Lender agrees not to amend the Loan Documents to add provisions cross-defaulting or cross-collateralizing the Loan with any other loan made by Lender to Borrower or any entities controlled, directly or indirectly, by ZACO LLC;
 - C. Lender will not modify the Loan Documents to add any new or additional Events of Default or to eliminate or curtail notice or cure periods, if any, afforded to Borrower, or to add provisions cross-defaulting the Loan and the Subordinate Loan or to add provisions making the acquisition by the Subordinate Lender of all or a portion of the Borrower or the Member's interests in the Borrower following a default by Borrower under the Subordinate Loan Documents a prohibited transfer under the Loan Documents or to add provisions cross-defaulting or cross-collateralizing the Loan with any other loan made by Lender to Borrower or any entity controlled, directly or indirectly, by Borrower's Member, without the prior written consent of Subordinate Lender; and
 - D. Without the prior written consent of Subordinate Lender, Lender will not revise, amend or modify any of the Loan Documents to increase the amount secured thereby, increase the interest rate, increase or accelerate any scheduled or required payment of principal or interest or agree to or permit any other amendment or modification of the Loan Documents that might reasonably be expected to have a material adverse effect on the Subordinate Loan or Subordinate Lender.
5. Notice and Cure Rights.
- A. Notice of Default. Lender shall deliver to Subordinate Lender a copy of any demand or notice of any claimed Default or Event of Default under the Loan Documents at the time of delivery of such demand or notice to the Borrower. The delivery to the Subordinate Lender shall be to the address of the Subordinate Lender set forth in Section 9 below. The Subordinate Lender shall deliver to Lender a copy of any demand or notice of any claimed Default or Event of Default under the Subordinate Loan Documents at the time of delivery of such demand or notice to the Borrower. The delivery to Lender shall be to the address of Lender set forth in Section 9 below.

Notwithstanding anything to the contrary contained in this paragraph 5A, i) Lender's and Subordinate Lender's agreement to provide any notice pursuant to this paragraph shall be limited to Lender and Subordinate Lender each using their best efforts to provide such notice, and ii) if either Lender or Subordinate Lender inadvertently fails to

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serve any notice required by this paragraph, such failure shall have no effect upon Lender's or Subordinate Lender's right to proceed against the Borrower or any guarantors under the Loan Documents or Subordinate Loan Documents, as applicable, or against the collateral securing the Loan or Subordinate Loan, as applicable.

B. Cure Rights. After any Default under the Loan Documents, the Subordinate Lender shall have the right, at its sole option, to cure such Default of the Borrower within i) ten (10) days in the event of a monetary default of Borrower, or ii) thirty (30) days in the event of a non-monetary default of Borrower which is susceptible to being cured.

6. Binding. This Agreement shall be binding on and inure to the benefit of the parties hereto, their participants in or subsequent holders of the Subordinate Loan Documents or the Loan Documents, as applicable.

7. Severability. If any provision of this Agreement is, for any reason and to any extent, invalid or unenforceable, then the remainder of this Agreement shall not be affected by such invalidity or unenforceability, and there shall be deemed substituted for the invalid or unenforceable provision the most similar provision which would be valid and enforceable under applicable law.

8. Governing Laws. This Agreement shall be governed by and construed according to the laws of the State of Illinois.

9. Giving Notice. Any notice, demand or request required hereunder shall be given in writing at the addresses set forth below by personal delivery, nationally-recognized overnight courier service, or by registered or certified, first class mail, return receipt requested. Notice shall be deemed delivered i) upon personal delivery, or ii) when delivered by a nationally-recognized overnight courier service, or iii) when receipted for if sent by registered or certified mail. The addresses may be changed by notice to the other party given in the same manner as provided herein.

If to Lender:

New Century Bank
363 W. Ontario Street
Chicago, IL 60616
Facsimile Number (312) 944-0555
Telephone Number (312) 944-5400

If to Subordinate Lender:

OSF Properties, Inc.
200 Ohio Savings Plaza
1801 East Ninth Street
Suite 200
Cleveland, Ohio 44114
Attention: Marc Freimuth
Facsimile Number (216) 696-5131
Telephone Number (216) 622-4326

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10. Counterparts. This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all of which together shall constitute one and the same agreement.

11. Captions. Paragraph or other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, Lender and the Subordinate Lender have executed this Agreement as of the day and year first above written.

SUBORDINATE LENDER

OSF Properties, Inc.

By: [Signature]

Its: Sr. V.P.

LENDER

NEW CENTURY BANK

By: [Signature]

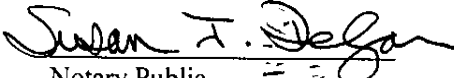
Its: Vice President

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OHIO CUYAHOGA
STATE OF ILLINOIS, COOK COUNTY, ss:

On this ^{20th} day of October, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared MARC W. FREMONT, SENIOR VP of OSF Properties, Inc., to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed and the voluntary act and deed of said limited partnership.


Notary Public

SUSAN J. DELZANI, Notary Public
State of Ohio, Cuyahoga County
My Commission Expires June 13, 2003

STATE OF ILLINOIS, COOK COUNTY, ss:

On this ^{13th} day of October, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Lisa V. Callahan, Vice President of New Century Bank, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that she executed the same as her voluntary act and deed and the voluntary act and deed of said limited partnership.

OFFICIAL SEAL
KIMBERLIE A KING
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. DEC 16, 2000


Notary Public

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EXHIBIT A

Legal Description

LOT 5 IN SUNDMACHER AND GLADES SUBDIVISION OF BLOCKS 14 AND 15 IN THE SUBDIVISION BY ELL AND HEIRS OF MICHAEL DIVERSEY OF THE SOUTHWEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

P.I.N. Nos.: 14-29-108-035

Common Address: 3048 N. Greenwood
Chicago, Illinois

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