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Prepared By and After
Recording Return To:



IFF
Attention: Loan Department
One North LaSalle Street
Chicago, Illinois 60602

Doc#: 1126910054 Fee: \$50.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/26/2011 12:55 PM Pg: 1 of 8

CT 8864215 DB # 2 of 2

Property of Cook County Recorder of Deeds
SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Agreement") is made as of September 20, 2011 by and between MB Financial Bank, an Illinois banking corporation ("Senior Lender") and IFF, an Illinois not for profit corporation ("Subordinated Lender").

WITNESSETH:

WHEREAS, Senior Lender has (i) purchased a Charter School Revenue Bond issued by the Illinois Finance Authority for the benefit of LAWNSDALE EDUCATIONAL AND REGIONAL NETWORK CHARTER SCHOOL, an Illinois not for profit corporation ("Borrower") in the aggregate principal amount of FIVE MILLION SEVEN HUNDRED THOUSAND NINETY THREE AND NO/100 DOLLARS (\$5,793,000.00)(the "Bond"), (ii) provided to Borrower a note evidencing a revolving credit loan in the amount of \$100,000 (the "Revolving Note"); and (iii) provided to Borrower a note evidencing a non-revolving credit loan in the amount of \$500,000 (the "Non-Revolving Note"), the repayment of which is secured by a blanket lien on the assets of the Borrower and, among other things, that certain Amended, Restated and Ratified Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing on real estate described on Exhibit A attached hereto and hereby made a part hereof (the "Property"), dated as of August 1, 2011, from Borrower in favor of Senior Lender (as amended, modified, restated or supplemented from time to time, the "Senior Mortgage"), which Senior Mortgage was recorded in the Office of the Recorder of Cook County, Illinois. The Bond, the Revolving Note and the Non-Revolving Note, and the Senior Mortgage and any other documents and instruments delivered by Borrower in connection therewith (as the same may be amended, restated or otherwise modified from time to time) are hereinafter sometimes collectively referred to as the "Senior Loan Documents";

WHEREAS, Subordinated Lender shall make a loan ("Subordinated Loan") to Borrower, in the principal amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), which Subordinated Loan shall be evidenced by that certain Promissory Note dated September 23, 2011, from Borrower to Subordinated Lender (the "Subordinated Note") and secured by, among other things, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated of even date therewith, from Borrower as

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mortgagor in favor of Subordinated Lender (as amended, modified, restated or supplemented from time to time, the "Subordinated Mortgage"), on the Property, which Subordinated Mortgage shall be recorded in the Cook County Recorder's Office prior to the recordation of this Agreement. The Subordinated Note, Subordinated Mortgage and any other documents and instruments delivered by Borrower in connection therewith (as the same may be amended, restated or otherwise modified from time to time) are hereinafter sometimes collectively referred to as the "Subordinated Loan Documents";

WHEREAS, Subordinated Lender has agreed that the lien of the Subordinated Loan Documents and its right to payment in connection therewith is and shall be subordinated to the lien of the Senior Loan Documents and Senior Lender's rights thereunder;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto hereby agree as follows:

1. Subordination of Subordinated Loan Documents. Notwithstanding the date, manner or order of grant, attachment, recordation or perfection, the lien evidenced by the Subordinated Mortgage is and at all times shall remain, junior, subject and subordinate to the lien evidenced by the Senior Mortgage.
2. Notice and Right to Cure. Senior Lender agrees that, upon default of Borrower under the Senior Loan Documents other than a default for non-payment, and prior to Senior Lender's exercise of any remedies under such Senior Loan Documents, Senior Lender shall give Subordinated Lender notice thereof by personal delivery or by certified mail, return receipt requested, at the address set forth below its signature, which notice shall be deemed effective upon receipt. Upon such a default, other than a default of non-payment, prior to Senior Lender's exercise of any remedies under such Senior Loan Documents, Subordinated Lender shall have thirty (30) days after receipt of the notice of Borrower's default to cure such default on behalf of Borrower, provided that if such default cannot reasonably be cured within such thirty (30) day period and Subordinated Lender shall have commenced to remedy such default and is diligently pursuing the cure of such default, then such thirty (30) day period shall be extended for an additional thirty (30) days to cure such default (the "Cure Period"). Senior Lender agrees not to exercise any of its remedies under the Senior Loan Documents until expiration of the Cure Period; provided, however, the Senior Lender shall exercise any and all remedies available, at law or equity in the event that the Borrower fails to pay the Senior Lender, when due, any payment of principal or interest for any debt owed to the Senior Lender. Other than for a payment default, Senior Lender shall accept cure by Subordinated Lender of such default as if such cure was made by Borrower, provided such cure is effected within the Cure Period. Notwithstanding anything set forth herein to the contrary, the Senior Lender agrees to use its best commercially reasonable efforts to provide notice to the Subordinate Lender after the Senior Lender exercises any remedies under the Senior Loan Documents.
3. Permitted Actions by Senior Lender. Senior Lender shall have the right, without the consent of Subordinate Lender in each instance, to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or

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waiver (collectively, a "Senior Loan Modification") of the Senior Loan Documents, provided that no such Senior Loan Modification shall (i) increase the principal amount due under the Senior Loan Documents; (ii) increase, in any other material respect, any monetary obligations of Borrower under the Senior Loan Documents; or (iii) shorten the scheduled Maturity Date of the Loan evidenced by the Senior Loan Documents.

4. Permitted Actions by Subordinated Lender. Subordinated Lender shall have the right, without consent of Senior Lender, in each instance, to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively a "Junior Loan Modification") of the Subordinated Loan Documents, provided that no such Junior Loan Modification shall (i) increase the principal amount of the loan evidenced by the Subordinated Loan Documents; (ii) increase, in any other material respect, any monetary obligations of Borrower under the Subordinated Loan Documents; or (iii) shorten the scheduled maturity date of the loan evidenced by the Subordinated Loan Documents.

4. No Cross Default or Cross Collateralization. Notwithstanding any of the terms or provisions hereof or in the Senior Loan Documents, for so long as the Subordinated Mortgage encumbers the Property, the Senior Mortgage shall secure only the obligations of Borrower to Senior Lender arising as a result of and pursuant to the Senior Loan Documents and such additional sums, advances and expenses incurred by Senior Lender for the insuring, preserving or otherwise protecting the Property and its value.

5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the parties hereto but does not otherwise create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

6. Modification, Waiver. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by the party against whom the enforcement of such modification, waiver, amendment, discharge or change is sought. No provision hereof shall be modified or limited by course of conduct or usage of trade except by a written agreement executed pursuant hereto.

7. Severability. In the event that any of the covenants, agreements, terms or provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms and provisions contained herein shall not be in any way affected, prejudiced or disturbed thereby.

8. Counterparts. This Agreement and all acknowledgments and consents hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

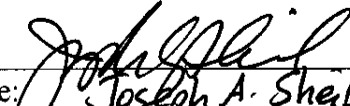
9. Due Authorization. The persons executing this Agreement on behalf of a party hereto represent and warrant to the other party that he or she has been duly authorized by such party to so execute this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement pursuant to authority duly given, as of the date first above written.

SENIOR LENDER

MB Financial Bank, an Illinois banking corporation

By: 
Name: Joseph A. Sheils
Its: Senior Vice President

SUBORDINATED LENDER

IFF, an Illinois not for profit corporation

By: _____
Name: Louise E. Tuck
Its: Vice-President of Lending
One North LaSalle, Suite 700
Chicago, Illinois 60602

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement pursuant to authority duly given, as of the date first above written.

SENIOR LENDER

MB Financial Bank, an Illinois banking corporation

By: _____

Name: _____

Its: _____

SUBORDINATED LENDER

IFF, an Illinois not for profit corporation

By: *L E Tuck*

Name: Louise E. Tuck

Is: Vice-President of Lending
One North LaSalle, Suite 700
Chicago, Illinois 60602

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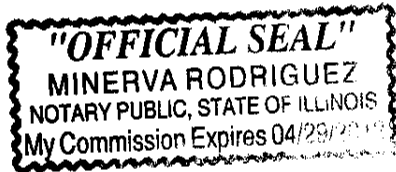
STATE OF ILLINOIS)
) SS
COUNTY OF)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Joseph Sheils, personally known to me to be the Senior Vice President of MB Financial Bank, 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, pursuant to authority duly given by said Bank, he signed and delivered the instrument as such SVP of said Bank, as his/her free and voluntary act, and as the free voluntary act of said Bank for the uses and purposes therein set forth.

Given under my hand and official seal, this 13th day of September, 2011.

Minerva Rodriguez
Notary Public

Commission expires 4/29/2013



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STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

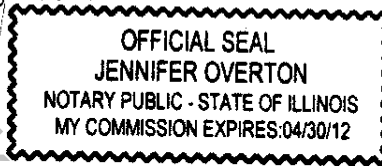
I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Louise E. Tuck, personally known to me to be the Vice-President of Lending of IFF, an Illinois not for profit corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice-President of Lending, she signed and delivered the said instrument as such Vice-President of Lending, pursuant to authority, given by the Board of Trustees of said corporation as her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 20 day of September, 2011.

Jennifer Overton

 Notary Public

Commission expires April 30, 2012



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: LOT 11 (EXCEPT THE NORTH 3 FEET THEREOF) AND ALL OF LOT 12 IN THE RESUBDIVISION OF LOTS 63 TO 67 INCLUSIVE AND LOTS 203 TO 212 INCLUSIVE IN BRITIGAN'S WESTFIELD SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: LOTS 19, 20, 21, 22, 23, 24, 25, 26, 27 AND 28, IN BLOCK 14, ALL IN AUBURN HEIGHTS, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Common Address: 1700 W. 83rd Street, Chicago, Illinois 60620

PIN: 20-31-229-030; 20-31-230-017; 20-31-230-018