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Cook County Recorder of Deeds
Date: 04/26/2012 01:23 PM Pg: 1 of 5

Krooth & Altman LLP
1850 M Street, NW, Suite 400
Washington, DC 20036
Attn: David Barsky, Esq.

(Space above this line for Recorder's Use)

SUBORDINATION AND MODIFICATION AGREEMENT

Presidential Pavilion
FHA Project No. 071-22186

THIS SUBORDINATION AND MODIFICATION AGREEMENT, made as of the 26th day of April, 2012, by and among the **MARSHALL MAUER, AS NOMINEE, PURSUANT TO NOMINEE AND COLLECTING AGENT AGREEMENT DATED MARCH 9, 2005** (the "Mortgagee"), having a principal place of business at 3359 Main St., Skokie, Illinois 60077 and **BEVERLEY PAVILION, LLC**, an Illinois limited liability company (the "Owner"), having a principal place of business at 6865 N. Lincoln Ave., Lincolnwood, Illinois 60712.

WITNESSETH:

WHEREAS, Owner executed and delivered to the Mortgagee that certain Second Mortgage (with Rider appended thereto), dated as of March 10, 2005 (the "Second Mortgage"), which was recorded on March 9, 2005, as Document No. 0506803112 in the Office of the Cook County, Illinois, Recorder of Deeds (the "Record Office"), and which Second Mortgage encumbers the property identified in Exhibit "A" attached hereto (the "Real Property"); and

WHEREAS, the Second Mortgage secures that certain Promissory Note dated March 10, 2005, in the original principal amount of \$1,650,600.00 given by the Owner in favor of Mortgagee (the "Promissory Note"); and

WHEREAS, in connection with initial/final endorsement of a new mortgage loan to be insured by the Secretary of Housing and Urban Development (the "Secretary") under Section 232 pursuant to Section 223(a)(7) of the National Housing Act, as amended, acting by and through the Federal Housing Commissioner, the Owner will execute and deliver to **CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS**, an Illinois corporation (the "Lender"), a Mortgage Note of even date herewith in the original principal amount not to exceed

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SEVENTEEN MILLION SEVEN HUNDRED TWENTY ONE THOUSAND FIVE HUNDRED AND 00/100 Dollars (\$17,721,500.00) (the "Lender Note"), which Lender Note will be secured by a certain Mortgage and Security Agreement of even date herewith made by the Owner in favor of Lender (the "Lender Mortgage") and to be recorded in the Record Office; and

WHEREAS, (1) the Secretary and Lender require and the parties intend that the Lender Mortgage have first lien priority against the Real Property and have priority over the second lien priority of the Second Mortgage, and (2) the Lender is allowing the maturity date of the Promissory Note and Second Mortgage to be extended to be co-terminus with the maturity date of the Lender Note and Mortgage.

NOW, THEREFORE, for one dollar (\$1.00), and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree that:

1. The lien of the Second Mortgage is hereby subordinated to the lien of the Lender Mortgage, and all terms, conditions, and provisions in the Second Mortgage shall be henceforth subordinate in all respects to the terms, conditions and provisions of the Lender Mortgage such that the Lender Mortgage shall constitute a first lien against the Property and the Second Mortgage shall constitute a second lien against the Property.

2. The Second Mortgage is hereby modified as follows: (i) the maturity date therein of "April 1, 2040" is hereby deleted and the maturity date of "May 1, 2046" is hereby inserted in lieu thereof, and (ii) in the Secondary Financing Rider to the Second Mortgage, (a) the references to the note and "Senior Mortgage" shall refer to the Lender Note and Mortgage, respectively, and (b) the reference in Section 9(a) to "the Regulatory Agreement dated as of March 1, 2005" is hereby replaced with "the Regulatory Agreement dated as of April 1, 2012".

3. The Promissory Note is hereby modified as follows: (i) the maturity date therein of "April 1, 2040" is hereby deleted and the maturity date of "May 1, 2046" is hereby inserted in lieu thereof, and (ii) in the Secondary Financing Rider to the Promissory Note, (a) the references to the note and "Senior Mortgage" shall refer to the Lender Note and Mortgage, respectively, and (b) the reference in Section 9(a) to "the Regulatory Agreement dated as of March 1, 2005" is hereby replaced with "the Regulatory Agreement dated as of April 1, 2012".

4. Except as specifically subordinated and modified herein, the Second Mortgage and Promissory Note remain unmodified and in full force and effect, including but not limited to the Owner's payment obligations thereunder.

[SIGNATURES AND ACKNOWLEDGMENTS ON FOLLOWING PAGES]

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SIGNATURE PAGE TO SUBORDINATION AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Subordination and Modification Agreement to be executed as of the date and year first above written.

MORTGAGEE:

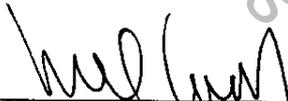
By: 
Marshall Mauer, as Nominee,
pursuant to Nominee and Collecting Agent Agreement
dated March 9, 2005

ACKNOWLEDGMENT

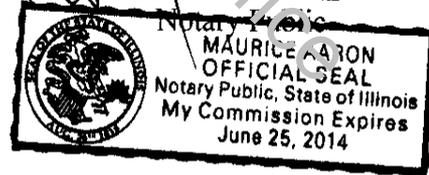
STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

On this 23 day of April, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared MARSHALL MAUER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[SEAL]



My Commission Expires: 6-25-14



(SIGNATURE PAGES CONTINUE)

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SIGNATURE PAGE TO SUBORDINATION AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Subordination and Modification Agreement to be executed as of the date and year first above written.

OWNER:
BEVERLY PAVILION, LLC,
an Illinois limited liability company

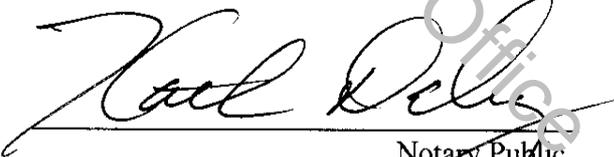
By: 
Name: Morris I. Esformes
Its: Manager

ACKNOWLEDGMENT

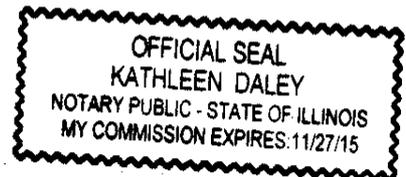
STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

On this 23 day of April, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared MORRIS I. ESFORMES, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[SEAL]


Notary Public

My Commission Expires: _____



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EXHIBIT A

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Chicago, County of Cook, State of Illinois.

LOTS 18 TO 28 BOTH INCLUSIVE, IN BLOCK 3 IN C.H. BECKWITH'S SUBDIVISION OF BLOCKS 14 AND 15 IN HUNTER'S SUBDIVISION OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

PROPERTY ADDRESS: 8001 S. WESTERN AVENUE
CHICAGO, ILLINOIS 60620
(COOK COUNTY)

PERMANENT REAL ESTATE INDEX NO.: 20-31-108-044-0000