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**THIS INSTRUMENT WAS  
PREPARED BY, AND  
AFTER RECORDING MAIL TO:**

Doc#: 1213910077 Fee: \$50.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 05/18/2012 12:59 PM Pg: 1 of 7

**MICHELLE M. MCATEE, ESQ.  
JENNER & BLOCK LLP  
353 NORTH CLARK STREET  
CHICAGO, IL 60654**

## SUBORDINATION AGREEMENT

**THIS SUBORDINATION AGREEMENT** (this "**Agreement**") is entered into as of May 8, 2012 by and between **M & R DEVELOPMENT, L.L.C.**, an Illinois limited liability company ("**M&R**"), and **REPUBLIC BANK OF CHICAGO**, Oak Brook, Illinois ("**Republic**").

### RECITALS

A. CP Newport Beach Limited Partnership, an Illinois limited partnership ("**CP**"); 117 LLC, an Illinois limited liability company ("**117**"); David B. Dahl, as Trustee of the Steven A. Schultz Family Trust I Dated October 1, 1990, an Illinois irrevocable trust ("**Schultz Trust**"); Midway Holdings, L.L.C., an Illinois limited liability company ("**Midway**"); Amalgamated Properties, LLC, an Illinois limited liability company ("**Amalgamated**"); and Chicago Title Land Trust Company, as successor trustee to LaSalle Bank, N.A., as trustee under Trust Agreement dated October 7, 1994 and known as Trust Number 119125, an Illinois land trust ("**Land Trust**", and together with CP, 117, Schultz Trust, Midway and Amalgamated, "**Seller**"), and M&R are parties to that certain Amended and Restated Purchase and Sale Agreement with an Effective Date of October 14, 2010, as amended by that certain First Amendment to Amended and Restated Purchase and Sale Agreement dated as of February 11, 2011, and as further amended by that certain Second Amendment to Amended and Restated Purchase and Sale Agreement dated as of May 27, 2011 (as amended, the "**Agreement**"), whereby Seiler agreed to sell and M&R agreed to purchase certain air rights over and above certain property located at the southeast corner of Clark Street and Addison Street in Chicago, Illinois (the "**Contract Property**"), as well as to jointly cause the development of the Contract Property, as more fully described in the Agreement.

B. Pursuant to that certain Term Credit Note dated as of May 1, 2012 (the "**Note**"), Amalgamated and Midway are jointly and severally indebted to Republic, which Note is in the original principal amount of Nine Million One Hundred Thousand and No/100 Dollars (\$9,100,000.00) (the "**Loan**").

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C. The Note is secured by, among other things, (i) that certain Real Estate Mortgage dated as of May 1, 2012 made by Amalgamated (“**Mortgage 1**”) and encumbering the real property commonly known as 3515-27 N. Clark Street, Chicago, Illinois (“**Property 1**”); and (ii) that certain Real Estate Mortgage dated as of May 1, 2012 made by Midway (“**Mortgage 2**,” and together with Mortgage 1, the “**Mortgage**”) and encumbering the real property commonly known as 3535-39 N. Clark Street, Chicago, Illinois (“**Property 2**,” and together with Property 1, the “**Mortgaged Property**”), which Mortgaged Property is described on **Exhibit A** attached hereto and incorporated herein.

D. Pursuant to the terms of Section 4.1.1 of the Agreement, Seller may not enter into nor consent to the recordation of any contract, agreement, lien or encumbrance with respect to the Contract Property and which would survive the closing contemplated by the Agreement without the express written consent of M&R, which consent is not to be unreasonably withheld, conditioned or delayed.

E. As a condition to the making of the Loan to Amalgamated and Midway, Republic is requiring that M&R (i) consent to the lien of the Mortgage, and (ii) acknowledge and agree that any interest it has in and to the Contract Property pursuant to the Agreement is subject and subordinate to the lien of the Mortgage, and that the lien of the Mortgage be unconditionally and at all times prior and superior to any interests of M&R.

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, M&R and Republic hereby agree as follows:

1. Pursuant to the terms of Section 4.1.1 of the Agreement, M&R hereby consents to the lien of the Mortgage.

2. M&R acknowledges and agrees that all rights and interests of M&R in and to the Contract Property pursuant to the Agreement are unconditionally subject and subordinate to the lien and charge of the Mortgage, including as to all modifications, amendments or replacements thereof.

3. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

4. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which shall together constitute one and the same instrument.

**[Remainder of Page Left Intentionally Blank.]**

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IN WITNESS WHEREOF, the undersigned have executed this instrument as of the date first above written.

**M&R**

**M&R DEVELOPMENT, L.L.C.**, an Illinois limited liability company

By: The Rossi Group, L.L.C., an Illinois limited liability company, a Manager

By: *Anthony R. Rossi*  
Name: Anthony R. Rossi, Sr.  
Its: Manager

**REPUBLIC**

**REPUBLIC BANK OF CHICAGO**, Oak Brook, Illinois

By: *William H. Stirling*  
Name: WILLIAM H. STIRLING  
Title: TRIS/CEO

[NOTARY ACKNOWLEDGMENTS FOLLOW]

Property of Cook County Clerk's Office

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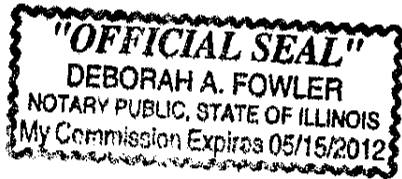
## ACKNOWLEDGMENT

(M&R)

STATE OF ILLINOIS     )  
   )  
 COUNTY OF COOK        )            ss.

I, the undersigned, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY that Anthony R. Rossi, Sr., personally known to me to be the Manager of The Rossi Group, L.L.C., an Illinois limited liability company, which is a Manager of **M&R DEVELOPMENT, L.L.C.**, an Illinois limited liability company, and 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 said instrument as his own free and voluntary act and the free and voluntary act of the company for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 8 day of May, 2012.



*Deborah A. Fowler*  
 \_\_\_\_\_  
 Notary Public

My Commission expires:

5/15/12

Notary Public, Cook County Clerk's Office

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## ACKNOWLEDGMENT

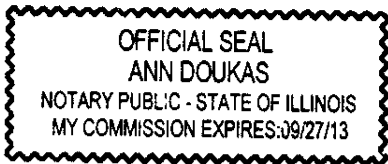
(REPUBLIC)

STATE OF ILLINOIS     )  
  ) ss.  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY that William H. SPEERLING, personally known to me to be the President of **REPUBLIC BANK OF CHICAGO**, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his or her own free and voluntary act and as the free and voluntary act of said company for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 15th day of MAY, 2012.

Ann Doukas  
Notary Public



My Commission expires:

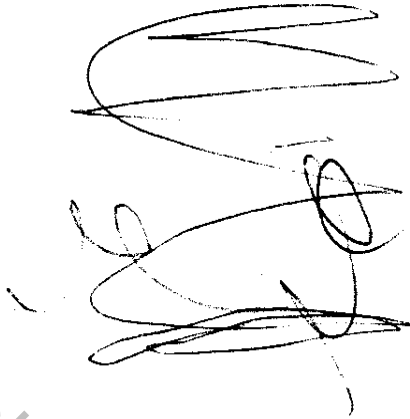
9/27/13

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**EXHIBIT A**

**Mortgaged Property**

(see attached)



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## TRACT 1:

### PARCEL 1:

LOT 13 AND THAT PART OF LOT 12 LYING SOUTH OF A LINE DRAWN 10 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID OF SAID LOT 12 IN WEAGE AND HYDE'S SUBDIVISON OF LOT 1 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

LOTS 21, 22 AND 23 IN THE RESUBDIVISION OF LOT 2 IN ASSESSORS DIVISION OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIANM IN COOK COUNTY, ILLINOIS

### PARCEL 3:

THE STRIP OF LAND FALLING BETWEEN PARCEL 2 AND 3 LYING BETWEEN THE EASTERLY AND WESTERLY LINES OF PARCEL 3 EXTENDED NORTHERLY, ALL IN COOK COUNTY, ILLINOIS.

### COMMON ADDRESS:

3515-27 N. Clark Street, Chicago, Illinois 60614

### PERMANENT INDEX NUMBERS:

14-20-403-008-0000

14-20-403-064-0000

14-20-403-065-0000

## TRACT 2:

LOTS 8, 9, 10, 11 AND 12 (EXCEPT THAT PART LYING SOUTH OF A LINE 10 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID LOT 12) IN WEAGE AND HYDE'S SUBDIVISION OF LOT 1 IN THE ASSESSOR'S DIVISON OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

### COMMON ADDRESS:

3535-39 N. Clark Street, Chicago, Illinois 60614

### PERMANENT INDEX NUMBER:

14-20-403-007-0000