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Doc#: 1326016063 Fee: \$62.00
RHSP Fee: \$9.00 APRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 09/17/2013 03:52 PM Pg: 1 of 13

This document prepared by
and after recording return to:

Steve Holler
Staff Attorney
Office of General Counsel
Loyola University of Chicago
820 N. Michigan Avenue, Suite 750
Chicago, Illinois 60611

3043- LB/JL

NC1130460

SUBORDINATION AGREEMENT

This SUBORDINATION AGREEMENT ("**Agreement**") is made and entered into as of September 11, 2013, by and between LOYOLA UNIVERSITY OF CHICAGO, an Illinois not-for-profit corporation ("**Loyola**"), and JPMORGAN CHASE BANK, N.A., as administrative agent (the "**Administrative Agent**") on behalf of the lenders identified in that certain Construction Loan and Security Agreement dated as of the date hereof (the "**Loan Agreement**") made by and between Tower 10 Glades LLC, a Delaware limited liability company ("**Borrower**"), and Administrative Agent on behalf of said lenders (collectively, the "**Lender**").

RECITALS

A. Loyola owns the real property legally described in: (i) Exhibit A to this Agreement (together with any improvements hereafter constructed thereon, the "**Business School Property**"); (ii) Exhibit B to this Agreement (together with the improvements thereon, the "**Baumhart Hall Property**"); and (iii) Exhibit C to this Agreement (the "**Easement Parcel Property**").

B. Loyola previously owned, but has now conveyed to Borrower, the real property legally described in Exhibit D to this Agreement ("**Borrower's Property**").

C. Loyola intends to construct a university building on the Business School Property. To facilitate, among other things, (i) the construction of such building, and (ii) permanent access between the Business School Property, the Easement Parcel Property, and the Baumhart Hall Property, including through an elevated pedestrian bridge that shall connect to Borrower's Project (as defined below) and extend eastward to link such properties, Loyola and Borrower have previously entered into (i) the Easement Agreement for Connecting Corridors and Support for Pedestrian Bridge dated September 5, 2013, between Borrower, as grantor, and Loyola, as grantee (the "**Connecting Corridors Easement**"), (ii) the Easement Agreement for Encroachment

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of Caisson Bells dated September 5, 2013, between Borrower, as grantor, and Loyola, as grantee, and (iii) the Right of First Offer Agreement dated as of September 5, 2013, by and between Borrower and Loyola (collectively, the "**Loyola Agreements**"). The Loyola Agreements grant Loyola certain easement, construction and use rights that run with the land and encumber a portion of the Borrower's Property, and the Easement Parcel Property, as more particularly described therein.

D. Borrower intends to construct a high-rise residential building on Borrower's Property (the "**Borrower's Project**").

E. As part of obtaining financing for the Borrower's Project, the Borrower and the Lender have entered into the Loan Agreement pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$79,500,000 for the Borrower's Project (the "**Loan**"). The Loan is evidenced by the Promissory Note dated as of the date hereof executed by the Borrower in favor of the Lender (the "**Note**") and secured by, among other things, certain liens and encumbrances on the Borrower's Property pursuant to the following: (i) the Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof granted by the Borrower to the Lender (the "**Mortgage**"), and (ii) the other loan and security documents described in the Loan Agreement and such Mortgage (the Loan Agreement, Note and Mortgage, and all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "**Loan Documents**").

F. Loyola has required that the Lender agree to enter into and execute this Agreement to acknowledge and confirm the matters set forth in Section 2 below, and to set forth certain other agreements between the parties.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and Loyola agree as hereinafter set forth:

1. Incorporation of Recitals and Exhibits. The above recitals, and the exhibits attached to this Agreement, are hereby incorporated herein by reference and constitute a material part of this Agreement.

2. Subordination. All rights, interests and claims of the Lender in the Borrower Property and the Easement Parcel Property pursuant to the Loan Documents are and shall be subject and subordinate to rights granted to Loyola under the Loyola Agreements. Lender's foreclosure of any lien granted under the Mortgage or the Loan Documents or appointment of any receiver for Borrower's Property, or exercise of other remedies available under the Loan Documents, shall not disturb or impair Loyola's rights under the Loyola Agreements. Nothing herein, however, shall be deemed to limit any of the Lender's other rights or other priorities under the Loan Documents, including without limitation the Lender's right to receive, and the Borrower's obligation to make, payments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein. If the Lender succeeds to the Borrower's interest under any of the Loyola Agreements or the other agreements listed on Exhibit E to this Agreement (the "**Other**

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Borrower/Loyola Agreements”), in no such instance shall the Lender acquire greater rights under any such agreements than the rights granted to Borrower under such agreements.

3. Notices of Default. The Lender shall use reasonable efforts to give to Loyola, and Loyola shall use reasonable efforts to give to the Lender, (a) copies of any written notices of default which it may give to the Borrower with respect to the Borrower’s Project pursuant to the Loan Documents or the Loyola Agreements or the Other Loyola/Borrower Agreements, respectively, and as applicable, and (b) copies of any written waivers, if any, of the Borrower’s default in connection therewith. Failure of either Lender or Loyola to deliver such notices or waivers shall in no instance alter the rights or remedies of Lender under the Loan Documents or Loyola under the Loyola Agreements and the Other Loyola/Borrower Agreements.

4. Waivers. No waiver shall be deemed to be made by Loyola or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of Loyola or the Lender in any other respect at any other time.

5. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of Loyola and the Lender.

6. Notices. Unless otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be served on the parties at the following addresses:

If to Lender: JPMorgan Chase Bank, N.A.
10 South Dearborn, 19th Floor
Chase Tower IL1-0958
Chicago, IL 60603
Attention: David C. Weislogel

With a copy to: JPMorgan Chase Bank, N.A.
201 N. Central Avenue, 14th Floor
Phoenix, Arizona 85004
Attention: Deborah A. Boban

With a copy to: Dentons US LLP
233 South Wacker Drive, Suite 7800
Chicago, IL 60606
Attention: Steven R. Davidson

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If to Loyola: Loyola University of Chicago
820 North Michigan Avenue, 15th Floor
Chicago, Illinois 60611
Attention: Wayne Magdziarz
Senior Vice President for Capital Planning
and Campus Management

With a copy to: Loyola University of Chicago
Office of the General Counsel
820 N. Michigan Avenue, Suite 750
Chicago, Illinois 60611
Attention: General Counsel

Any such notices shall be either (i) sent by certified mail return receipt requested and postage pre-paid, in the United States Mail, (ii) sent by overnight delivery using a nationally recognized courier, or (iii) by personal hand delivery. Notices shall be deemed effective and received by Lender on the date of actual receipt or refusal by a member of the office of the Lender representative to whom the notice is addressed, and shall be deemed effective and received by Loyola on the date of actual receipt or refusal by a member of the office of the Loyola representative to whom the notice is addressed.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[Signatures Appear On Next Page]

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IN WITNESS WHEREOF, Loyola and Lender have executed this Subordination Agreement as of the date first above written.

LOYOLA UNIVERSITY OF CHICAGO, an Illinois not-for-profit corporation

By: Wayne Magdziarz
Wayne Magdziarz, Senior Vice President,
Capital Planning and Campus Management

JP MORGAN CHASE, NA., a national banking association,
as Administrative Agent

By: _____
Name: _____
Title: _____

Property of Cook County Clerk's Office

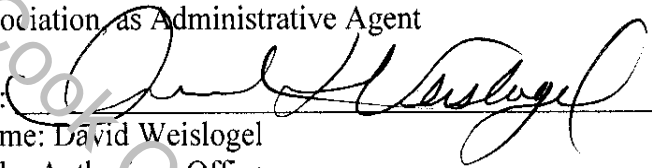
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IN WITNESS WHEREOF, Loyola and Lender have executed this Subordination Agreement as of the date first above written.

LOYOLA UNIVERSITY OF CHICAGO, an Illinois not-for-profit corporation

By: _____
Wayne Magdziarz, Senior Vice President,
Capital Planning and Campus Management

JP MORGAN CHASE, N.A., a national banking association, as Administrative Agent

By: 
Name: David Weislogel
Title: Authorized Officer

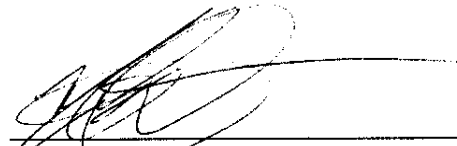
Property of Cook County Clerk's Office

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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 David Weislogel, personally known to me to be the Authorized Officer of JPMorgan Chase, N.A., a national banking association, as Administrative Agent, 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 Authorized Officer, he signed and delivered the said instrument pursuant to authority given to it, as his/her free and voluntary act, and as the free and voluntary act and deed of said Administrative Agent, for the uses and purposes therein set forth.

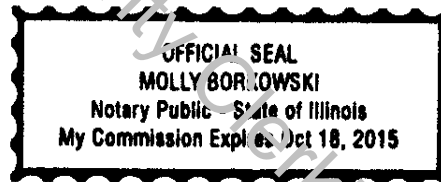
GIVEN under my hand and official seal this 10TH day of September, 2013.



Notary Public

My Commission Expires:

OCTOBER 18, 2015



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

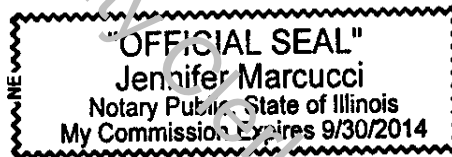
I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Wayne Magdziarz, personally known to me to be the Senior Vice President for Capital Planning and Campus Management of Loyola University of Chicago, an Illinois not-for-profit corporation (the "University"), 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 Senior Vice President, he signed and delivered the said instrument pursuant to authority given to it, as his and voluntary act, and as the free and voluntary act and deed of said University, for the uses and purposes therein set forth.

WITNESS MY HAND AND OFFICIAL SEAL this the 5th day of September, 2013.

Jennifer Marcucci
Notary Public

My Commission Expires:

9/30/2014



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EXHIBIT A

Legal Description of Business School Property

Lot 2 in Loyola Resubdivision, being a resubdivision of Lots 2, 3, 4, 5, "A" and Part of Lot 6 in the subdivision of Block 18 in Canal Trustees' Subdivision (ante-fire), together with Lots 1, 2, 3, 4, 9 and parts of the private alleys in Andrew Larson's Subdivision of Lot 1 in the Subdivision of Block 18 aforesaid (ante-fire), and Lots 1, 2, 3 and 4 in the subdivision of Lot 7 of Block 18 in the Canal Trustees' Subdivision aforesaid (ante-fire) of the south fractional $\frac{1}{4}$ of fractional Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, such plat having been approved by the City Council of the City of Chicago on July 24, 2013 and recorded in the Recorder's Office of Cook County on August 6, 2013 as document no. 1321816010, and re-recorded in the Recorder's Office of Cook County on August 26, 2013 as document no. 1323839675.

Commonly known as 10 East Pearson Street, Chicago, Illinois

17-03-223-004-0000

17-03-223-005-0000

17-03-223-009-0000

17-03-223-019-0000

17-03-223-020-0000

NOTE: The above PINs are the PINs applicable to the Business School Property as of the date of this Agreement. Such PINs are subject to change as a result of recordation of the Plat of Subdivision, which will result in the assignment of separate PINs for each Lot depicted therein.

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EXHIBIT B

Legal Description of Baumhart Hall Property

Lot 1 in Loyola Resubdivision, being a resubdivision of Lots 2, 3, 4, 5, "A" and Part of Lot 6 in the subdivision of Block 18 in Canal Trustees' Subdivision (ante-fire), together with Lots 1, 2, 3, 4, 9 and parts of the private alleys in Andrew Larson's Subdivision of Lot 1 in the Subdivision of Block 18 aforesaid (ante-fire), and Lots 1, 2, 3 and 4 in the subdivision of Lot 7 of Block 18 in the Canal Trustees' Subdivision aforesaid (ante-fire) of the south fractional $\frac{1}{4}$ of fractional Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, such plat having been approved by the City Council of the City of Chicago on July 24, 2013 and recorded in the Recorder's Office of Cook County on August 6, 2013 as document no. 1321816010, and re-recorded in the Recorder's Office of Cook County on August 26, 2013 as document no. 1323839035.

Commonly known as 26 East Pearson Street, Chicago, Illinois

PIN(s):

17-03-223-014-0000

17-03-223-022-0000

17-03-223-026-0000

17-03-223-027-0000

NOTE: The above PINs are the PINs applicable to the Baumhart Hall Property as of the date of this Agreement. Such PINs are subject to change as a result of recordation of the Plat of Subdivision, which will result in the assignment of separate PINs for each Lot depicted therein.

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EXHIBIT C

Legal Description of Easement Parcel Property

Lots 3, 6 and 8 in Loyola Resubdivision, being a resubdivision of Lots 2, 3, 4, 5, "A" and Part of Lot 6 in the subdivision of Block 18 in Canal Trustees' Subdivision (ante-fire), together with Lots 1, 2, 3, 4, 9 and parts of the private alleys in Andrew Larson's Subdivision of Lot 1 in the Subdivision of Block 18 aforesaid (ante-fire), and Lots 1, 2, 3 and 4 in the subdivision of Lot 7 of Block 18 in the Canal Trustees' Subdivision aforesaid (ante-fire) of the south fractional ¼ of fractional Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, such plat having been approved by the City Council of the City of Chicago on July 24, 2013 and recorded in the Recorder's Office of Cook County on August 6, 2013 as document no. 1321816010, and re-recorded in the Recorder's Office of Cook County on August 26, 2013 as document no. 1323839038.

No common address (alley)

PIN(s):

17-03-223-007-0000

17-03-223-008-0000

NOTE: The above PINs are the PINs applicable to the Easement Parcel Property as of the date of this Agreement. Such PINs are subject to change as a result of recordation of the Plat of Subdivision, which will result in the assignment of separate PINs for each Lot depicted therein.

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EXHIBIT D

Legal Description of Borrower's Property

Lots 4, 5 and 7 in Loyola Resubdivision, being a resubdivision of Lots 2, 3, 4, 5, "A" and Part of Lot 6 in the subdivision of Block 18 in Canal Trustees' Subdivision (ante-fire), together with Lots 1, 2, 3, 4, 9 and parts of the private alleys in Andrew Larson's Subdivision of Lot 1 in the Subdivision of Block 18 aforesaid (ante-fire), and Lots 1, 2, 3 and 4 in the subdivision of Lot 7 of Block 18 in the Canal Trustees' Subdivision aforesaid (ante-fire) of the south fractional ¼ of fractional Section 13, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, such plat having been approved by the City Council of the City of Chicago on July 24, 2013 and recorded in the Recorder's Office of Cook County on August 6, 2013 as document no. 1321816010, and re-recorded in the Recorder's Office of Cook County on August 26, 2013 as document no. 1323839038.

Common Address: 845 N. State Street, Chicago, Illinois

PIN(s):

17-03-223-001-0000

17-03-223-002-0000

17-03-223-003-0000

17-03-223-006-0000

17-03-223-007-0000

17-03-223-008-0000

NOTE: The above PINs are the PINs applicable to the Borrower's Property as of the date of this Agreement. Such PINs are subject to change as a result of recordation of the Plat of Subdivision, which will result in the assignment of separate PINs for each Lot depicted therein.

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EXHIBIT E

Other Borrower/Loyola Agreements

1. Easement Agreement for Encroachment of Subsurface Improvements dated as of September __, 2013, by and between Loyola, as grantor, and Borrower, as grantee.
2. Access Easement Agreement dated as of September __, 2013, by and between Loyola, as grantor, and Borrower, as grantee.
3. Option Agreement dated as of September ____, 2013, by and between Loyola and Borrower
Memorandum of Option Agreement dated as of September ____, 2013, by and between Loyola and Borrower.
4. Agreement Regarding Zoning dated as of September __, 2013, by and between Loyola and Borrower.

Property of Cook County Clerk's Office