

SUBORDINATION OF PURCHASE MONEY WRAP-AROUND MORTGAGE

THIS SUBORDINATION AGREEMENT (hereinafter referred to as the "Agreement"), dated as of November 6, 1986, is made and given by AR/VMS VENTURE, an Illinois general partnership ("AR/VMS"), to NEW YORK LIFE INSURANCE COMPANY, a New York corporation (hereinafter referred to as "New York Life").

W I T N E S S E T H:

14.00

WHEREAS, AR/VMS is the mortgagee under a certain Mortgage dated as of July 15, 1983 (the "Prior Mortgage") made by American National Bank and Trust Company of Chicago (the "Trustee") as Trustee under Trust Agreement dated as of May 18, 1983 and known as Trust No. 57803 (the "Trust"), and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on December 30, 1983, as Document 26913212, which Prior Mortgage encumbers certain premises commonly known as, and located at, 111 West Washington Street, Chicago, Illinois, legally described on Exhibit A hereto attached and herein incorporated (the "Premises"), and which Prior Mortgage secures that certain promissory note of even date therewith by the Trustee in favor of AR/VMS in the original principal amount of \$73,500,000.00 (the "Prior Note"); and

WHEREAS, New York Life is the mortgagee under that certain Mortgage dated as of November 6, 1986 ("First Lien Mortgage"), made by the Trustee, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on Nov. 6, 1986, as Document No. 86522489, which First Lien Mortgage also encumbers the Premises, and which First Lien Mortgage secures that certain mortgage note of even date therewith ("First Note") by the Trustee and AR/VMS in favor of New York Life in the original principal amount of \$65,000,000.00; and

WHEREAS, New York Life is the mortgagee under that certain Mortgage dated as of November 6, 1986 (the "Second Lien Mortgage") made by the Trustee and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on Nov. 6, 1986 as Document No. 86522491, which Second Lien Mortgage also encumbers the Premises, and which Second Lien Mortgage secures that certain mortgage note of even date therewith ("Second Note") by the Trustee and 111 West Washington Street Assoc., Ltd., an Illinois limited partnership ("111"), in favor of New York Life in the original principal amount of \$5,000,000.00 (the First Note and Second Note are hereinafter collectively referred to as the "Notes");

WHEREAS, AR/VMS has agreed that the lien of the Prior Mortgage shall be subordinate to (i) the lien of the First Lien Mortgage, and (ii) the lien of the Second Lien Mortgage (the First Lien Mortgage and the Second Lien Mortgage are hereinafter collectively referred to as the "Mortgages").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AR/VMS hereby covenants to New York Life and agrees as follows:

1. AR/VMS hereby subordinates the lien of the Prior Mortgage, and any and all other present or future rights and claims of AR/VMS against the Trustee, 111 or the Premises, and any and all other security therefor (including, but not limited to, any security interest in personal property), to the liens of the Mortgages and to all advances heretofore made and to all advances hereafter made by New York Life and which are secured by the Mortgages, whether said advances are obligatory or not, and to any and all other rights and claims of New York Life against the Trustee, 111 or the Premises pursuant to the terms of the Mort-

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gages, the Notes or any other document or instrument executed pursuant to the Notes or in connection therewith, or as security therefor (collectively, the "Loan Documents").

2. In the event of any distribution, division, payment, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of the Trust, or the proceeds thereof, in whatever form, to creditors of the Trustee or on any indebtedness of the Trustee, lll or AR/VMS occurring by reason of any receivership, insolvency or bankruptcy proceedings, or assignment for the benefit of creditors, the indebtedness of the Trustee, lll or AR/VMS to New York Life, shall first be paid before any payment under the Prior Mortgage is made to AR/VMS.

3. AR/VMS hereby expressly agrees that the effect of this Agreement, and the rights of New York Life hereunder, shall be in no way impaired, affected, diminished or released by any of the following, regardless of whether the same shall occur with or without the knowledge or consent of New York Life: by any renewal or extension of time of payment of the indebtedness of the Trustee, lll or AR/VMS to New York Life, by any delay, forbearance, failure, neglect or refusal of New York Life in enforcing the payment thereof or in enforcing the lien of or attempting to realize upon the Mortgages, the Notes or any other security evidenced by any other Loan Document which may have been or may hereafter be given with respect to the indebtedness of the Trustee, lll or AR/VMS to New York Life, or by any waiver or failure to exercise any right or remedy under the Mortgages, the Notes or any other Loan Document or by any change, modification or amendment of any of the aforesaid documents or instruments, or by any increase, decrease, substitution, release, withdrawal or other change in any security with respect to the indebtedness of the Trustee, lll or AR/VMS to New York Life, or by any other act or failure to act by New York Life.

4. This Agreement shall remain in full force and bind AR/VMS for so long as the Mortgages remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Subordination Agreement as of the date first above written.

AR/VMS VENTURE, an Illinois general partnership

By: Rubloff Inc., a Delaware corporation, one of its two general partners

By: [Signature]  
Name: [Name]  
Title: [Title]

ATTEST:

By: [Signature]  
Name: [Name]  
Title: [Title]

By: VMS Realty Partners, An Illinois general partnership  
By: [Signature], general partner  
By: [Signature], general partner

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STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK     )

I, Victoria L. Caputo, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Stephen J. Sinclair and David Cernick of RUBLOFF INC., a Delaware corporation, one of two general partners of AR/VMS VENTURE, an Illinois general partnership, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of Nov, 1986.

Victoria L. Caputo  
Notary Public

My Commission Expires:  
1/14/89

STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK     )

I, MARSHALL SAEK, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that John H. Stone of VMS REALTY PARTNERS, an Illinois general partnership, one of two general partners of AR/VMS VENTURE, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of November, 1986.

Marshall Saek  
Notary Public

My Commission Expires:  
My Commission Expires Jan 24, 1989

This Instrument was prepared by and after recording should be mailed to:

James B. Smith, Esq.  
Coffield Ungaretti Harris & Slavin  
3500 Three First National Plaza  
Chicago, Illinois 60602

OX 333-HV

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STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK     )

I, Victoria L. Caputo, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Stephen J. Sincclair and Edward C. Sincclair of RUBLOFF INC., a Delaware corporation, one of two general partners of AR/VMS VENTURE, an Illinois general partnership, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of Nov, 1986.

Victoria L. Caputo  
Notary Public

My Commission Expires:  
1/19/89

STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK     )

I, Margaret Sack, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that John R. Sincclair of VMS REALTY PARTNERS, an Illinois general partnership, one of two general partners of AR/VMS VENTURE, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of November, 1986.

Margaret Sack  
Notary Public

My Commission Expires:  
My Commission Expires June 24, 1989

This Instrument was prepared by and after recording should be mailed to:

James B. Smith, Esq.  
Coffield Ungaretti Harris & Slavin  
3500 Three First National Plaza  
Chicago, Illinois 60602

OX 333-HV  
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2021 AS & not certified/recorded



2021 AS & not certified/recorded

STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK     )

I, Victoria L. Caputo, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Peter R. Morris of VMS REALTY PARTNERS, an Illinois general partnership, one of two general partners of AR/VMS VENTURE, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 6th day of November, 1986.

Victoria L. Caputo  
Notary Public

My Commission Expires:  
1/11/89

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EXHIBIT  
SCHEDULE A

LEGAL DESCRIPTION OF PROPERTY

LOTS 1, 2 AND THE EAST 47 FEET OF LOT 3 IN BLOCK 56 IN ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX NO. 17-09-039-002  
111 W. WASHINGTON STREET  
CHICAGO, ILLINOIS

*S.P. ALL*

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