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DECLARATION OF SUBORDINATION AND JOINDER

THIS DECLARATION OF SUBORDINATION made this 1st day of October, 1987 by Evanston-Ridge Associates Limited Partnership (the "Partnership"), an Illinois limited partnership.

W I T N E S S E T H :

A. Joshua Limited Partnership, an Illinois limited partnership ("JLP") has heretofore entered in that certain Installment Contract for Deed (the "JLP Agreement"), dated as of March 1, 1984, with LaSalle National Bank, not personally but solely as Trustee under Trust Agreement dated May 1, 1979 and known as Trust No. 100995 ("Borrower"), and The Beatrice Partnership ("Beneficiary"), an Illinois limited partnership, sole beneficiary of the entire beneficial interest in Borrower, with respect to the property (the "Property") legally described in Exhibit A attached hereto and made a part hereof.

B. The Partnership has heretofore entered into that certain Installment Contract for Deed (the "ERA Agreement"), dated as of March 1, 1984, with JLP with respect to Property.

C. Borrower has heretofore executed and delivered to Provident National Assurance Company ("Lender"), a note (the "Note"), dated as of October 1, 1987, in the stated principal sum of \$1,900,000, and to secure the Note and indebtedness evidenced thereby the following instruments (herein, together with the Note and any other instruments securing the Note, called the "Loan Documents"), each dated as of October 1, 1987 unless otherwise stated, have been executed and delivered:

(i) Mortgage and Security Agreement (the "Mortgage"), made by Borrower to Lender, encumbering the Property;

(ii) Assignment of Leases and Rents (the "Assignment of Leases and Rents"), made by Borrower, as

THIS INSTRUMENT PREPARED BY:

GARY SCOTT SAIPE  
Rosenthal and Schanfield  
55 East Monroe Street  
Suite 4620  
Chicago, Illinois 60603

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assignor, to Lender, as assignee, and joined in by the Beneficiary, assigning all rents, issues and profits from the Property;

(iii) Undated UCC-1 and UCC-2 financing statements made by Borrower and Beneficiary, as debtors, to Lender, as secured party;

(iv) Beneficiary's Agreement from Beneficiary to Lender; and

(v) Irrevocable Right to Approve, among Borrower, Beneficiary and Lender.

D. It is a condition precedent to the disbursement by Lender of the proceeds of the loan (the "Loan") evidenced by the Note that (i) the Loan Documents shall be and remain prior and superior to the ERA Agreement and to the rights of the Partnership thereunder, and (ii) that the Partnership collaterally assign to Lender certain rights of the Partnership in and to the leases and rents of, and personal property, on the Property.

E. Pursuant to the terms of the ERA Agreement, the Partnership has agreed to subordinate its rights and interests to the Loan Documents and has agreed to execute all documents and instruments required in connection therewith.

NOW THEREFORE, in consideration of the premises and ten dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Lender to disburse the Loan, it is hereby declared, understood and agreed as follows:

1. The foregoing recitals are hereby incorporated in and made a part of this Agreement.

2. The ERA Agreement and all right, title and interest of the Partnership under the ERA Agreement and in and to the Property are and shall be and remain in all respects and for all purposes and at all times, junior, subject and subordinate to the Loan Documents, as same may be at any time and from time to time, modified, renewed, replaced, extended or consolidated, as fully and with the same force and effect as if the Loan Documents had been duly executed, acknowledged, delivered, recorded and filed and the Loan had been fully disbursed, prior to the execution and delivery of the ERA Agreement; provided that except with the consent of ERA, no modifications of the Loan Documents shall

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(i) increase the principal amount evidenced by the Note to an amount which, when added to the unpaid balance of any other debt secured by the Property (if such other debt is permitted by the terms of the Mortgage), would exceed amounts permitted under the ERA Agreement to be advanced without the consent of the Partnership or (ii) create personal liability upon the Partnership for the payment of principal and interest under the Note; further provided that nothing contained herein shall affect Lender's rights to advance sums pursuant to paragraph 1.13 of the Mortgage, all of which sums shall be secured by the Mortgage.

3. In the event of the conveyance to the Partnership or its assignee of the Property or of the beneficial interest in Beneficiary pursuant to the terms of the ERA Agreement, such conveyance shall be subject to the liens of the Loan Documents, all of which liens shall remain valid and enforceable liens upon the Property and the interest of the Partnership therein.

4. Lender shall have no obligation to release the liens of the Loan Documents for any reason whatsoever until the indebtedness evidenced and secured by the Loan Documents shall be paid in full to Lender.

5. The Partnership hereby consents to and joins in the Assignment of Leases and Rents, intending hereby to bind any interest the Partnership and its successors or assigns may have in the Leases and Rents described in the Assignment of Leases and Rents, or any leases or other agreements relating thereto, as fully and with the same effect as if the Partnership were named as the Borrower in said Assignment of Leases and Rents. Without limiting the generality of the foregoing, the Partnership agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all leases of the Property to the end that no default on the part of lessor shall exist thereunder. Nothing in this paragraph 5 contained shall be deemed to render the Partnership liable upon any obligation for payments provided in the Assignment of Leases and Rents.

6. The Partnership hereby adopts the Mortgage as a security agreement for the purpose of subjecting the Partnership's interest in the personal property and fixtures described therein to the security interest reflected therein.

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7. The Partnership has executed this instrument in order to induce Lender to disburse the Loan, and the Partnership intends that Lender shall rely on same. The Partnership agrees that the disbursement by Lender of all or part of the proceeds of the Loan shall constitute conclusive evidence and reliance by Lender upon this instrument and the provisions hereof and the subordination effected hereby.

8. This instrument and each and every covenant, agreement and other provision herein shall be binding upon the Partnership, its successors and assigns, and shall inure to the benefit of Lender, its successors and assigns, and such successors and assigns, of Lender shall have any enjoy all of the rights, privileges, powers and benefits afforded hereby and hereunder, and may enforce all and every one of the terms and provisions hereof as fully and to the same extent and with the same effect as if such successors and assigns, of Lender were herein by name specifically granted such rights, privileges, powers and benefits.

9. Notwithstanding any other provision of this instrument, in no event and under no circumstances shall the undersigned or any partner thereof have any personal obligation or liability hereunder or under any of the Loan Documents for performance of any term, covenant or agreement, either express or implied, contained herein or therein, and the sole remedy of Lender on account of any breach thereof or default thereunder shall be by proceeding against the collateral securing the Loan or against any other party who may be liable therefor, provided however, that the undersigned acknowledges that in the event of the transfer of the Property or of the entire beneficial interest in Borrower pursuant to the terms of the ERA Agreement, then, in order to comply with the terms of the Mortgage, the undersigned shall be liable under, and to the extent set forth in, the documents (including a beneficiary's agreement) required by Lender to be executed by ERA pursuant to the terms of the Mortgage.

EVANSTON-RIDGE ASSOCIATES  
LIMITED PARTNERSHIP, an  
Illinois limited partnership

By: 

Donald G. Parker,  
general partner

\*obligated to become

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STATE OF ILLINOIS )  
COUNTY OF Cook ) SS.

I, Stephanie Sanders, a Notary Public in and for the County and State aforesaid, do hereby certify that Donald G. Parker, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as a general partner in Evanston-Ridge Associates Limited Partnership, an Illinois limited partnership ("ERA"), appeared before me this day in person and acknowledged that he signed and sealed the said instrument as his own free and voluntary act and as the free and voluntary act of ERA, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19 day of November, 1987.

Stephanie Sanders

My Commission Expires



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EXHIBIT A

LOT 'A' IN F. AND L. CONSTRUCTION CORPORATION CONSOLIDATION OF LOT 9  
(EXCEPT THE NORTH 15 FEET THEREOF) AND LOT 10 (EXCEPT THE SOUTH 25 FEET  
THEREOF) IN BLOCK 61 IN EVANSTON IN THE SOUTH WEST 1/4 OF SECTION 16,  
TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN  
COOK COUNTY, ILLINOIS.

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