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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made as of the 26 day of January, 1988 by and between Senior Lender (described below) and Junior Lender (described below).

* * * * *

Identification of Parties and Instruments:

Junior Lender-Name Address:	Standard Chartered Bank 33 West Monroe Street Chicago, Illinois 60603 Attn: Barbara B. Hall
Senior Lender-Name and Address:	The Canada Life Assurance Company c/o Mid-North Financial Services, Inc. 205 West Wacker Drive Suite 202 Chicago, Illinois 60601
Borrower-Name and Address:	American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated November 10, 1987 and known as Trust No. 103980-06 33 North LaSalle Street Chicago, Illinois 60690 Attn: Land Trust Department
Junior Note-Amount and Date:	January <u>22</u> , 1988 - \$500,000.00* (Mortgage covers \$435,000 of the Junior Note)
Junior Mortgage-Date and Recording Information:	Dated: January <u>22</u> , 1988 Recorded: January <u>27</u> , 1988 as Document No. _____
Senior Note-Amount and Date:	\$1,400,000.00 January <u>25</u> , 1988
Senior Mortgage-Date and Recording Information:	Dated: January <u>25</u> , 1988 Recorded: January <u>27</u> , 1988 as Document No. _____

71-46-887-DI

RECITALS:

A. Borrower has executed and delivered the Junior Note made payable to the order of Junior Lender. The Junior Note is secured by: (1) the Junior Mortgage, made by Borrower in favor of Junior Lender and encumbering the real estate legally described in Exhibit A attached hereto and by this reference made a part hereof (the "Property"); and (2) certain other documents and instruments, if any, listed in Exhibit B attached hereto and by this reference made a part hereof (the "Other Junior Documents"); (the Junior Note, Junior Mortgage and the Other Junior Documents are hereinafter collectively referred to as the "Junior Loan Documents").

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:
David B. Goss, Esq.
Rudnick & Wolfe
203 North LaSalle Street
Chicago, Illinois 60601

COMMON ADDRESS OF PROPERTY:
301 Alice Street
Wheeling, Illinois

Real Estate Tax Index Numbers:
03-14-102-028-0000(3)

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Box 416

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B. Borrower has executed and delivered the Senior Note made payable to the order of Senior Lender. The Senior Note is secured by: (1) the Senior Mortgage encumbering the Property; and (2) certain other documents and instruments, if any, listed in Exhibit C attached hereto and by this reference made a part hereof (the "Other Senior Documents"); (the Senior Note, Senior Mortgage and Other Senior Documents are hereinafter collectively referred to as the "Senior Loan Documents").

C. Without the execution and delivery of this Agreement, the existence of the Junior Loan Documents will constitute a default under the Senior Loan Documents, and Senior Lender will consent to the Junior Loan Documents only upon execution and delivery of this Agreement by Junior Lender.

NOW, THEREFORE, to induce Senior Lender to consent to the Junior Loan Documents and for TEN DOLLARS and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Junior Lender hereby agrees that until the Senior Loan Documents have been paid and satisfied in full:

1. **Subordination of Lien of Junior Loan Documents.** The Junior Mortgage and Junior Loan Documents and the lien thereof shall be expressly subject and subordinate to any and all advances, in whatever amounts and whenever made, with interest thereon, and to any and all expenses, charges and fees incurred by the Senior Lender, including any and all such advances, interest, expenses, charges and fees which may increase the indebtedness secured by the Senior Loan Documents above the original principal amount thereof, provided the same is advanced or incurred under any of the express provisions of the Senior Loan Documents or any extension, consolidation, modification or supplement thereto. The modifications, consolidations and supplements herein referred to shall not be deemed to include any modification, consolidation or supplement which expands the rights of the holder of the Senior Loan Documents to advance additional indebtedness beyond those rights provided in the existing Senior Loan Documents, including without limitation any increase in the monthly payments of principal and interest or an increase in the rate of interest charged.

2. **Insurance Proceeds and Claims.** Junior Lender shall have no right to participate in the adjustment or settlement of insurance losses and/or condemnation claims provided, however, Senior Lender shall endeavor (but shall not be obligated) to give notice to Junior Lender of the occurrence of any casualty and/or condemnation and the settlement thereof. The Junior Lender hereby agrees, upon the request and at the direction of Senior Lender, to endorse in favor of Senior Lender any and all checks payable to the Junior Lender, which represent insurance or condemnation proceeds paid for claims relating to the Property in any way. The Junior Lender hereby appoints Senior Lender as its attorney-in-fact, in its place and stead to settle all insurance claims relating to the Property and to receive all payments and endorse all checks with regard thereto to the full extent of all amounts secured by the Senior Loan Documents. Senior Lender shall remit to Junior Lender any portion of the insurance or condemnation proceeds remaining after payment in full of the indebtedness secured by the Senior Loan Documents as provided in the Senior Mortgage.

3. **Amendment and Modification.** Junior Lender shall not materially amend or materially modify or consent to the material amendment or material modification of any of the Junior Loan Documents without the prior written approval of Senior Lender. For the purposes of this Section 3 "material" shall mean any change in the rate of interest, amount of payments, term of principal amount of the Junior Loan.

4. **Waiver of Notices, Defenses, Etc.** The Junior Lender hereby waives: (i) notice of acceptance by Senior Lender of this Agreement; and (ii) notice of the non-payment of all or any of the Senior Payments; and (iii) all diligence by Senior Lender in collection or protection of or realization upon the Senior Loan Documents; and (iv) any protest, defense, claim or objection to or in any way relating to any amendment, modification, renewal or extension of the terms and provisions of any of the Senior Loan Documents, including, without limitation, any increase in or extension of time for the Senior Payments evidenced or secured thereby.

5. **Commencement of Bankruptcy Proceedings.** The Junior Lender agrees not to commence, or join with any other creditor in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to Borrower (or Borrower's beneficiary or any party comprising Borrower or its beneficiary), without first obtaining Senior Lender's prior written consent, provided, however, the foregoing shall not

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prohibit Junior Lender from participating in any proceeding commenced by Borrower, Senior Lender or other third party.

6. **Action Taken by Senior Lender.** Senior Lender may, for time to time, whether before or after any discontinuance of this Agreement, at its sole discretion and without notice to the Junior Lender, take any or all of the following actions: (i) retain or obtain a security interest in the Property or any other property to secure any of the obligations or liabilities created by or associated with the Senior Loan Documents; and (ii) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to any of the obligations or liabilities created by or associated with the Senior Loan Documents.

7. **Remedies Upon Default.** Junior Lender hereby covenants and agrees that upon the occurrence of a default under the Senior Loan Documents, Senior Lender may, at its sole discretion, without notice to Junior Lender: (i) with or without releasing and extinguishing the Senior Mortgage or the liens or security interests created by the Senior Loan Documents, cause title in and to all or any portion of the Property (or any interest of any kind therein, including, without limitation, a beneficial interest in a land trust) to be transferred, assigned or conveyed to a nominee for Senior Lender, subject to the lien of the Junior Loan Documents; and/or (ii) take possession of the Property and take all actions necessary to operate and maintain the Property, including, without limitation, the right to complete construction of the improvements located on the Property and the right to lease or sell all or any portion of the Property or any interest in the Property, without Senior Lender's having any obligation to commence a foreclosure proceeding or have a receiver appointed. Except for the gross negligence or willful misconduct of Senior Lender, the Junior Lender hereby waives the right to assert any and all claims and defenses against Senior Lender relating to or arising from any action taken by Lender pursuant to the preceding sentence, including, without limitation, the right to assert that the Senior Mortgage was merged into any deed or instrument of conveyance to a nominee for Senior Lender.

8. **Assignment by Senior Lender.** Senior Lender may, from time to time, whether before or after any discontinuance of this Agreement, at its discretion and without notice to the Junior Lender, assign or transfer any or all of the Senior Payments or any interest therein and/or any or all of the Senior Loan Documents, or any interest therein, and notwithstanding any such assignment or transfer or subsequent assignment or transfer thereof, the Senior Payments and Senior Loan Documents shall be and remain Senior Payments and Senior Loan Documents for the purposes of this Agreement.

9. **Notice to Junior Lender and Right to Cure.** The Junior Lender shall not, without giving Senior Lender fifteen (15) days' prior written notice in the event of a monetary default and thirty (30) days' prior written notice in the event of a non-monetary default and opportunity to cure (within the applicable period) the default of Borrower specified in such notice, take any action of any kind (including, without limitation, the initiation of any proceeding seeking or contemplating foreclosure or the appointment of a receiver of a trustee in bankruptcy) to enforce any right or remedy against Borrower. Provided, however, nothing contained in this Paragraph 10 shall be construed as obligating Senior Lender to cure a default of any nature.

10. **Notice to Senior Lender and Right to Cure.** Senior Lender grants to Junior Lender the right to cure (within any applicable period of grace under the Senior Loan Documents) any default of Borrower under the senior Loan Documents arising from a non-payment of any sum due under the Senior Loan Documents. Senior Lender shall endeavor (but not be obligated) to give Junior Lender notice of any default under the Senior Loan Documents or of any action of Senior Lender to enforce any right or remedy granted to it under the Senior Loan Documents.

11. **Notices.** Any notices which may be given hereunder shall be deemed given when personally delivered and receipted for or two days after deposited in the United States mail certified or registered mail, return receipt requested, properly addressed to the respective address set forth on the first page of this Agreement, with copies to the following parties:

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If to Senior Lender:

Rudnick & Wolfe
203 North LaSalle Street
Chicago, Illinois 60601
Attn: Charles L. Edwards, Esq.

If to Borrower:

Alice Street Partners
224 East Ontario Street
Chicago, Illinois 60611
Attn: Martin H. Graff

and

Gordon & Einstein, Ltd.
224 East Ontario Street
Chicago, Illinois 60611
Attn: Raymond P. Gordon, Esq.

If to Junior Lender:

Kasten, Muchin & Zavis
525 West Monroe Street
10th Floor
Chicago, Illinois 60606
Attn: Nina B. Matis, Esq.

12. **Waiver of Right of Subrogation.** If the Junior Lender desires to advance funds respecting the Property for any purpose under the Junior Loan Documents or otherwise, Junior Lender shall notify Senior Lender pursuant to paragraph 11 hereof of the amount of any proposed advance and the purpose of which the advance is being made. If, within fifteen (15) days after receipt by the Senior Lender of the aforesaid notice, the Senior Lender notifies Junior Lender that such proposed advance should not be made, then if Junior Lender makes said advance, Junior Lender shall have no right or claim of subrogation respecting the funds so advanced thereby. If the Senior Lender consents to the advance within said fifteen (15) day period or fails to respond within said fifteen (15) day period, the Junior Lender shall be subrogated to the rights of Senior Lender with respect to the funds so advanced thereby.

13. **Governing Law, Etc.** This Agreement shall be construed in accordance with and governed by the laws of the state in which the Property is located. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. The captions herein are for purposes of convenience only.

14. **Binding Effect.** This Agreement shall be binding upon Junior Lender and its heirs, legatees, legal representatives, successors and assigns, including any owner or holder of any of the Junior Loan Documents, and shall inure to the benefit of Senior Lender and its successors and assigns, including any subsequent owner or holder of any of the Senior Loan Documents.

15. **No Third Party Benefits.** The rights, duties, obligations, remedies and liabilities under this Subordination Agreement are solely between Senior Lender and Junior Lender and no third party rights or benefits are conferred or created hereby.

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IN WITNESS WHEREOF, this Agreement has been executed and delivered by Junior Lender as of the day and year first above written.

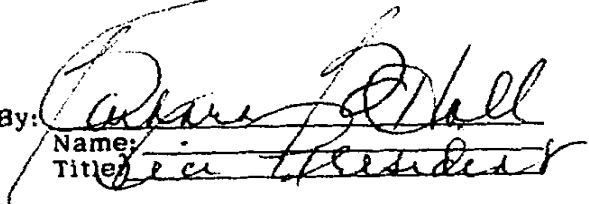
JUNIOR LENDER:

STANDARD CHARTERED BANK

ATTEST:

By: _____
Name: _____
Title: _____

(SEAL)

By: 
Name: _____
Title: Vice President

SENIOR LENDER:

**THE CANADA LIFE ASSURANCE
COMPANY**

ATTEST:

By: _____
Name: _____
Title: _____

By: Mid-North Financial Services,
Inc.

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Court, at Chicago, Illinois, this _____ day of _____, 20__.

Clerk of the Court

Deputy Clerk

Recorder

County Treasurer

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STATE OF ILLINOIS)
COUNTY OF Cook) SS

I, Margaret R. Super, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Barbara Hall and [Signature] who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as Vice President and [Signature] of Standard Chartered Bank, 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 Standard Chartered Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 26th day of January, 1988.

Margaret R. Super
Notary Public

My Commission Expires:

My Commission Expires April 3, 1990

STATE OF ILLINOIS)
COUNTY OF _____) SS

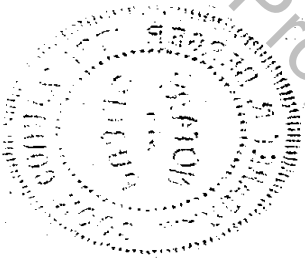
I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as _____ and _____ of _____, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own, free and voluntary act and as the free and voluntary act of _____ for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of January, 1988.

Notary Public

My Commission Expires:

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IN WITNESS WHEREOF, this Agreement has been executed and delivered by Junior Lender as of the day and year first above written.

JUNIOR LENDER:

STANDARD CHARTERED BANK

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(SEAL)

SENIOR LENDER:

THE CANADA LIFE ASSURANCE COMPANY

ATTEST:

By: Mid-North Financial Services, Inc.

By: Bradley R. Lichtenheld
Name: BRADLEY R. LICHTENHELD
Title: VICE PRESIDENT

By: Albert Hanna
Name: ALBERT CHANNA
Title: President

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COOK COUNTY CLERK'S OFFICE
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IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this _____ day of _____, 20__.

CLERK OF THE COURT

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CHICAGO

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STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as _____ and _____ of _____, 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 _____ for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of January, 1988.

Notary Public

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, David Goss, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that President and Vice-President, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as President and Vice-President of Mid-North Financial Services, 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 26 day of January, 1988.



Notary Public

My Commission Expires:

2/19/90

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BORROWER'S ACKNOWLEDGMENT

The undersigned acknowledges receipt of a copy of the foregoing Subordination Agreement, waives notice of acceptance thereof by Senior Lender and agrees to be bound by the terms and provisions thereof, to mark its respective books and records so as to clearly indicate that the lien of the Junior Loan Documents is subordinated to the Senior Payments and in accordance with the terms of such Subordination Agreement, to make no payments or distributions contrary to the terms and provisions thereof, and to do every other act and thing necessary or appropriate to carry out such terms and provisions. In the event of any violation of any of the terms and provisions of the foregoing Subordination Agreement by reason of any act or omission within the direct or indirect control of Borrower, then, at the election of Senior Lender, any and all obligations of the undersigned to Senior Lender shall forthwith become due and payable and any and all agreements of Senior Lender to make loans to the undersigned shall forthwith terminate.

This instrument is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not primarily but solely as Trustee, as aforesaid. All the covenants and conditions herein provided for and made by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO are controlled by the law of the state as aforesaid and not otherwise, and no payment hereon shall be insisted or be enforceable against AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO by reason of any of the conditions, statements, representations or warranties contained in this instrument.

Dated: January 26, 1988

BORROWER:

**AMERICAN NATIONAL BANK & TRUST
COMPANY OF CHICAGO, as Trustee
aforesaid**

ATTEST:

By: [Signature]
Name: R. BREMEN
Title: VICE PRES.

By: [Signature]
Name: SUZANNE G. BAKER
Title: Second Vice President

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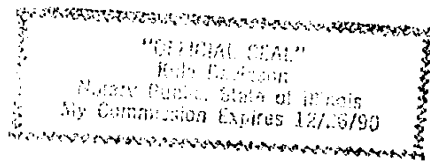
STATE OF ILLINOIS)
COUNTY OF _____) SS

I, KULA DAVIDSON, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that SUZANNE G. BAKER and RONALD S. BRENNER, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as SECOND VICE PRESIDENT and CONSTANT SECRETARY of AMERICAN BANKING CORPORATION of CHICAGO 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 _____ for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of January, 1988. JAN 26 1988

Kula Davidson
Notary Public

My Commission Expires:



STATE OF ILLINOIS)
COUNTY OF _____) SS

I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as _____ and _____ of _____, 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 _____ for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of January, 1988.

Notary Public

My Commission Expires:

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EXHIBIT A

LOT 14 IN CANAL-RANDOLPH RESUBDIVISION OF PART OF WHEELING INDUSTRIAL CENTER SUBDIVISION IN THE NORTH WEST 1/4 OF SECTION 14, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

301 Alice Street
Wheeling, Illinois

P.I.N.: 03-14-102-028-0000(3) | <

C.D.O

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EXHIBIT B

OTHER JUNIOR DOCUMENTS

1. Assignment of Landlord's interest in Lease dated January 22, 1988 from Borrower and 301 Alice/Hintz Partnership ("Beneficiary") to Junior Lender recorded with the Recorder on January 27, 1988 as Document No. 88039102 # 8
2. Security interest of Junior Lender pursuant to financing statement from Borrower, as debtor, recorded with the Recorder on January 27, 1988, as Document No. 88401997
3. Security/^{Beneficiary} interest of Junior Lender pursuant to financing statement from Borrower, as debtor recorded with the Recorder on January 27, 1988, as Document No. 88401998.

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EXHIBIT C

OTHER SENIOR DOCUMENTS

1. Assignment of Rents dated January 25, 1988 from Borrower, as assignor, joined in by the beneficiary of Borrower, Alice Street Partners, an Illinois general partnership ("Beneficiary") to Senior Lender, as assignee, recorded with the Cook County, Illinois Recorder of Deeds (the "Recorder") on January 17, 1988, as Document No. 88039100.
2. Security Interest of Senior Lender pursuant to financing statement from Borrower, as debtor, recorded with the Recorder on January 27, 1988, as Document No. 88401996.
3. Security Interest of Senior Lender pursuant to financing statement from Beneficiary, as debtor, recorded with the Recorder on January 27, 1988, as Document No. 88401995.

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