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Document No. _____

SUBORDINATION AGREEMENT

Fee \$ _____

THIS SUBORDINATION AGREEMENT, dated as of this 29th day of March, 1989 (this "Agreement"), is made and entered into by and between CITY OF CHICAGO DEPARTMENT OF HOUSING, an Illinois municipal corporation (the "City"), and HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation ("Harris").

W I T N E S S E T H:

WHEREAS, Borrower is presently the owner of record with regard to the property described on Exhibit A attached hereto and incorporated herein by reference, which together with all buildings, improvements, fixtures and equipment located thereon are collectively referred to as the "Property"; and

WHEREAS, Borrower has executed and delivered a certain Adjustable Rate Promissory Note ("Harris Note"), dated March 1, 1989, in the original principal amount of Two Hundred Seventy Thousand And 00/100 Dollars (\$270,000) made payable to the order of Harris, which is secured by (i) a certain ~~Construction Mortgage~~ Mortgage, ~~Security Agreement and Assignment of Leasehold~~ ("Harris Mortgage"), dated of even date therewith, recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 89137345, in favor of Harris and encumbering the Property, and (ii) certain other documents and instruments listed in Exhibit B attached hereto and by this reference made a part hereof (the "Other Harris Documents") (the Harris Note, Harris Mortgage and Other Harris Documents are hereinafter collectively referred to as the "Harris Loan Documents") and

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WHEREAS, Borrower has executed and delivered a certain Promissory Note ("City Note"), dated March 29, 1989, in the original principal amount of five hundred ninety five thousand two hundred twenty nine and 00/100 Dollars (\$595,229), made payable to the order of City, which is secured by (i) a certain Junior Mortgage Assignment of Rents and Security Agreement ("City Mortgage"), dated of even date therewith, recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 89137347, in favor of City and encumbering the Property, and (ii) certain other documents and instruments listed in Exhibit C attached hereto and by this reference made a part hereto (the "Other City Documents") (the City Note, City Mortgage and Other City Documents are hereinafter collectively referred to as the "City Loan Documents"); and

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WHEREAS, Harris is willing to make such loan to Borrower provided that the Harris Loan Documents constitute a lien upon the Property prior and superior to the lien of the City Loan Documents and provided that the City specifically subordinates the lien of the City Loan Documents to the Lien of the Harris Loan Documents; and

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WHEREAS, the delivery of this Agreement is a condition precedent to the making of such loan by Harris.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. All right, title and interest of the City in and to the Property arising by reason of the City Loan Documents shall be subject and subordinate to, and are hereby subordinated to, any right, title and interest of Harris in and to the Property which may have been granted by the Borrower or otherwise arisen pursuant to the Harris Loan Documents.

2. The City agrees that upon the occurrence of any event which permits the City to enforce the City Loan Documents or any of them, the City will promptly notify Harris of such fact. The City further agrees that notwithstanding anything to the contrary contained in the City Loan Documents or otherwise, the City will neither take nor authorize to be taken any action by way of suit, foreclosure or otherwise in order to realize on any of the collateral security afforded by the City Loan Documents or any of them until such time as Harris shall have been notified in writing of such fact or facts and Harris shall have been given fifteen (15) days from the receipt of such notice to cure such fact or facts.

3. The City further agrees that (i) it will never make any assertion, argument or claim in any action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity or effectiveness of the Harris Loan Documents or any of them, and (ii) Harris may, from time to time, in the exercise of its sole discretion and with notice to the City take any or all of the following actions without affecting any of the terms of this Agreement: (a) retain or obtain a lien against or a security interest in any property to secure payment of any of the liabilities under the Harris Loan Documents or any of them, (b) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of such liabilities, or release or compromise any obligation of the Borrower or any obligation of any nature of any other obligor with respect to any of such liabilities, (c) release the lien of the Harris Loan Documents in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing payment of any of such liabilities, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature or any obligor with respect to any such property.

The City acknowledges and agrees that while all or a portion of the proceeds of the loan evidenced and secured by the Harris Loan Documents from time to time may not have been disbursed, such fact shall have no effect on the validity and enforceability of this Agreement.

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4. This Agreement shall be governed by the laws of the State of Illinois.

5. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

HARRIS TRUST AND SAVING BANK,
an Illinois banking corporation

BY: *Thomas J. Bates*
Its Vice President

CITY OF CHICAGO DEPARTMENT OF
HOUSING, an Illinois municipal
corporation

BY: *James Rayson*
Its Deputy Commissioner

THIS INSTRUMENT PREPARED BY

SMITH AND LYLE
25 E. Washington Street
Suite 1500
Chicago, IL 60602

AFTER RECORDING, MAIL TO:

Deborah Greany - 111/LLW
Harris Trust & Savings Bank
P.O. Box 755
Chicago, IL 60690

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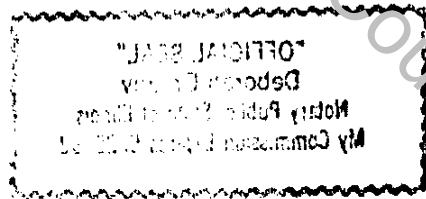
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COOK COUNTY CLERK'S OFFICE
DEPARTMENT OF CLERK SERVICES
110 NORTH LAUREL STREET
CHICAGO, ILLINOIS 60602
TEL: (773) 604-4000

2011-01-01

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EXHIBIT A

Legal Description

149-51 and 157-59 W. 72nd Street, Chicago, Illinois

Lots One (1) through Ten (10) in the Resubdivision of Block 15 in Eggleston's 2nd Subdivision being the North 1/2 of the North East 1/4 (except the North 1/2 of the North 1/2 of the North 1/2 of the North East 1/4 heretofore subdivided) of Section 28, Township 38 North, Range 14, East of the Third Principal Meridian, In Cook County, Illinois.

PTN: 20-28-212-001

20-28-212-002

20-28-212-004

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EXHIBIT B

OTHER HARRIS DOCUMENTS

The term "Harris Loan Documents" as used herein means the following documents and any other documents previously, now, or hereafter given to evidence, secure, or govern the disbursement of the indebtedness to Borrower by Harris, including any and all extensions, renewals, amendments, modifications, and supplements thereof or thereto:

- | | | |
|--|------------------------------------|---------|
| | DEPT-01 | \$17.00 |
| | T#1111 TRAN 9440 04/07/89 15:30:00 | |
| | #2682 # A *-89-154400 | |
| | COOK COUNTY RECORDER | |
1. The Note executed by Borrower;
 2. The following security documents:
 - (a) The Mortgage executed by Borrower;
 - (b) an Assignment of Rents, executed by Borrower, assigning to Harris all rents, issues, deposits, and profits pertaining to the Property owned by Borrower;
 - (c) a Security Agreement, executed by Borrower, granting Harris a security interest in certain personal property more fully described therein, under the Uniform Commercial Code as adopted in Illinois;
 - (d) certain Uniform Commercial Code Financing Statements, executed by Borrower, pertaining to the personal property described in the aforesaid Security Agreement;
 - (e) a Security Agreement and Collateral Assignment Under Land Trust, executed by the owner of the beneficial interest of Borrower ("Beneficiary"), assigning to Harris all of Beneficiary's right, title, and interest in, to, and under the Trust Agreement described in the first paragraph of the Note;
 - (f) a Waiver of Defenses, executed by Borrower;
 - (g) an Owners' Consent, executed by Borrower and the owner of the beneficial interest of Borrower ("Beneficiary");
 - (h) a Subordination Agreement executed by Harris and the City of Chicago Department of Housing, granting to Harris a first lien on the Premises described in Exhibit A attached to this document.

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