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## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made as of the 19<sup>th</sup> day of June, 1992 by and between Junior Lender (described below) and Senior Lender (described below).

DEPT-01 RECORDING \$43.00  
T2222 TRAN 9380 09/28/92 15:44:00  
\$0105 \* -92-719163  
COOK COUNTY RECORDER

### Identification of Parties and Instruments:

"Junior Lender" Name and Address: Bank of Chicago/Lakeshore, an Illinois banking corporation, formerly known as Bank of Chicago  
1050 West Wilson Avenue  
Chicago, Illinois 60640

"Senior Lender" Name and Address: Harris Trust and Savings Bank, an Illinois banking corporation  
111 W. Monroe Street  
P. O. Box 755  
Chicago, Illinois 60690

"Borrower" Name and Address: Garfield Ridge Trust and Savings Bank as Trustee under Trust Agreement dated April 24, 1989 and known as Trust No. 89-4-6, et al. c/o Lamet, Kanwit & Associates  
600 S. Federal Street  
Chicago, Illinois 60605

"Junior Note": Amount: \$113,822.78  
Dated: June 19, 1992

"Junior Letter of Credit" Obligation: Amount: \$75,871.59  
Dated: June 19, 1992

"Junior Mortgage" Date and Recording Information: Dated: June 12, 1992  
Recorded: June 22, 1992  
as Document No. 92452051

"Senior Note:" Amount: \$1,160,000  
Dated: June 19, 1992

"Senior Mortgage" Date and Recording Information: Dated: June 19, 1992  
Recorded: June 22, 1992  
as Document No. 92452049

THIS INSTRUMENT PREPARED BY AND AFTER RECORDING RETURN TO:

Robert H. Gerstein  
Holleb & Coff  
Suite 4100  
Chicago, Illinois 60603

COMMON ADDRESS OF PROPERTY:

5326 N. Winthrop  
Chicago, Illinois

Real Estate Tax Index Number:  
14-08-207-012

BOX 430

H/3 [Signature]

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## RECITALS:

A. Borrower has executed and delivered the Junior Note made payable to the order of the Junior Lender and Borrower is indebted to Junior Lender under the Junior Letter of Credit Obligation. The Junior Note and the Junior Letter of Credit Obligation are 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, 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 collectively referred to as the "Junior Loan Documents").

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 the Other Senior Documents are collectively referred to as the "Senior Loan Documents").

C. The Senior Lender's obligation to make the loan ("Senior Loan") evidenced by the Senior Note is conditioned upon the execution and delivery of this Agreement by Junior Lender.

NOW, THEREFORE, to induce Senior Lender to make the Senior Loan and for the payment of TEN DOLLARS and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Junior Lender and Senior Lender hereby agree as follows:

1. Subordination of Lien of Junior Loan Documents. The Junior Mortgage and Junior Loan Documents and the indebtedness evidenced thereby and the lien and security interest thereby created are hereby made and deemed to be expressly subject and subordinate in all respects to the lien and security interest created by the Senior Loan Documents and to any and all advances, in whatever amount and whenever made, with interest thereon, and to any and all expenses, charges and fees incurred by the Senior Lender pursuant to the terms of the Senior Loan Documents, including, without limitation, 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.

2. Insurance Proceeds and Claims. Junior Lender shall have no right to participate in the adjustment or settlement of insurance losses or condemnation claims; provided, however, Senior

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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 and 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 and/or condemnation claims relating to the Property and to receive all payments and endorse all checks with regard thereto to the full extent of all amounts evidenced or secured by the Senior Loan Documents. Senior Lender shall remit to Junior Lender any portion of the insurance proceeds and/or condemnation awards remaining after payment in full of the entire indebtedness evidenced or secured by the Senior Loan Documents, as provided in the Senior Mortgage.

3. Amendment and Modification to Junior Loan Documents. 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 or principal amount of the Junior Note.

4. Waiver of Notices, Defenses, Etc. The Junior Lender hereby waives: (i) notice of the non-payment of all or any of the amounts due under the Senior Loan Documents (the "Senior Payments"); and (ii) all diligence by Senior Lender in collection or protection of or realization upon the Senior Loan Documents; and (iii) 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 making any of 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 prohibit Junior Lender from participating in any proceeding commenced by Borrower, Senior Lender or other unrelated third party.

6. Commencement of Collateral Proceedings. The Junior Lender agrees not to commence, or join with any other creditor in commencing, any actions affecting any management agreement, lease or other agreement relating to the rehabilitation, use or occupancy of the Property (collectively the "Contracts"), or take any action to subordinate any such Contract to the Junior Loan Documents, or

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any of them, until such time as the Senior Payments have been paid and satisfied in full.

7. Action Taken by Senior Lender. Senior Lender may, from time to time, without affecting the priority of the Senior Payments and the Senior Loan Documents, 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; (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; (iii) extend or renew (for one or more periods) the Senior Loan Documents or release, compromise, alter, waive, forgo or collection of or exchange any obligations of the Borrower under the Senior Loan Documents or the obligations of any other obligor with respect to the Senior Loan Documents; (iv) release any security now or hereafter given to secure the obligations and liabilities evidenced or created by the Senior Loan Documents; or (v) amend, modify or supplement any Senior Loan Document.

8. 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, do any of the following: (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 or rehabilitation 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. 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 Senior 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.

9. Assignment by Senior Lender. Senior Lender may, from time to time, 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

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transfer or subsequent assignments or transfers thereof, the Senior Payments and Senior Loan Documents shall be and remain Senior Payments and Senior Loan Documents for the purposes of this Agreement and shall be and remain prior, senior and paramount to the Junior Loan Documents.

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

11. Notice to Junior 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.

12. Notices. Any notices which may be given hereunder shall be in writing and deemed given when personally delivered and receipted for, three days after being deposited in the United States certified or registered mail, postage prepaid, return receipt requested, or upon the next business day after timely and proper deposit, charges prepaid, with any national overnight carrier with respect to next day service, properly addressed to the respective address set forth on the first page of this Agreement, with copies to the following parties:

If to Senior Lender:

Harris Trust and Savings Bank  
111 W. Monroe Street  
P. O. Box 755  
Chicago, Illinois 60690

and

Elvin E. Charity  
Greene and Letts  
30 N. LaSalle Street  
Chicago, Illinois 60602

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If to Borrower: Lamet, Kanwit & Associates  
600 South Federal  
Chicago, Illinois 60605  
Attention: Donna Richman

If to Junior Lender: Bank of Chicago/Lakeshore  
1050 West Wilson Avenue  
Chicago, Illinois 60640  
Attention: Charles Hall

and

Robert H. Gerstein  
Holleb & Coff  
55 East Monroe Street  
Chicago, Illinois 60603

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 of the remaining provisions of this Agreement. The captions herein are for purposes of convenience only.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Junior Lender and Senior Lender and their respective successors and assigns including, without limitation, any participants in or assignees of any part of the obligations evidenced and secured by the Senior Loan Documents.

15. Documents of Further Assurance. The Junior Lender hereby covenants and agrees, upon the request of Senior Lender, to execute and deliver such documents as Senior Lender may reasonably deem necessary or desirable to cause the Senior Loan Documents and the indebtedness and the lien and security interest created thereby to be senior and prior to the Junior Loan Documents.

16. Estoppel. The Junior Lender, to induce the Senior Lender to make the Senior Loan, hereby represents that: (i) there exists no default by Borrower under the Junior Loan Documents, and Junior Lender is aware of no event or circumstance that, with the passage of time, would constitute a default under the Junior Loan Documents; (ii) there have been no modifications, amendments, or supplements to any of the Junior Loan Documents; and (iii) as of the date hereof, the balance of the Junior Note, including principal and accrued interest, is \$113,822.78 and the balance due, if any, under the Junior Letter of Credit Obligation is \$75,871.59.

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17. Term of Agreement. This Agreement shall be and remain in full force and effect until the obligations evidenced and secured by the Senior Loan have been paid and satisfied in full.

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

JUNIOR LENDER:

BANK OF CHICAGO/LAKESHORE

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: Charles B. Hall

Name: CHARLES B. HALL

Title: EXEC. VICE PRES.

SENIOR LENDER:

HARRIS TRUST AND SAVINGS BANK

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: Robin S. Coffey

Name: Robin S. Coffey

Title: Vice President

This Document is signed by BANK OF CHICAGO / GARFIELD RIDGE, not individually but solely as Trustee under Trust Agreement mentioned in said Document. Said Trust Agreement is hereby made a part hereof and any claims against said Trustee which may result from the signing of this Document shall be payable only out of any Trust property which may be held thereunder, except that no duty shall rest upon BANK OF CHICAGO / GARFIELD RIDGE personally, or as Trustee, or requester any of the earnings, avails, or proceeds of any real estate in said Trust. Said Trustee shall not be personally liable for the performance of any of the terms and conditions of this Document or for the validity or condition of the title of said property or for any agreement with respect thereto. Any and all personal liability of BANK OF CHICAGO / GARFIELD RIDGE is hereby expressly waived by the parties hereto and their respective successors and assigns. All warranties, covenants, indemnities and representations of each and every kind are those of the Trustee's beneficiaries only, and shall not in any way be considered the responsibility and liability of BANK OF CHICAGO / GARFIELD RIDGE. This Trustee's exculpatory clause shall be controlling in the event of a conflict of terms created by the documents executed by BANK OF CHICAGO / GARFIELD RIDGE as Trustee.

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## BORROWER'S ACKNOWLEDGEMENT

The undersigned acknowledges receipt of a copy of the foregoing Subordination Agreement, and further acknowledges the terms and provisions thereof. The undersign agrees to mark its books and records so as to clearly indicate that the Junior Loan Documents are subordinated to the Senior Loan Documents in accordance with the terms of such Subordination Agreement, to make no payments or distributions contrary to the terms and provisions of the Subordination Agreement, and to do every other act and thing necessary or appropriate to carry out such terms and provisions.

Dated: 6-19-92

### BORROWER:

BANK OF CHICAGO/GARFIELD RIDGE F/K/A  
GARFIELD RIDGE TRUST AND  
SAVINGS BANK, not personally  
but solely as Trustee under  
Trust No. 89-4-6

### ATTEST:

BY: *June A. Novotny*

Name: JUNE A. NOVOTNY

Title: A.V.P.

BY: *Terrence Spercanski*

Name: TERRENCE SPERCANSKI

Title: Sr.V.P. Trust Clerk

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STATE OF ILLINOIS )

COUNTY OF COOK )

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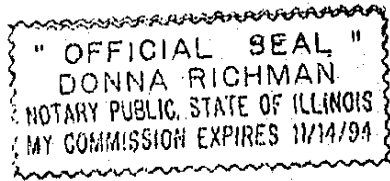
I, DONNA RICHMAN, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that CHARLES B. HALL and EXEC. VICE PRES. who is/are personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instruments as and appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument as his/her/their own, free and voluntary act and as the free and voluntary act of BANK OF CHICAGO for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19 day of JUNE, 1992.

Donna Richman

My Commission Expires:

11/14/92



STATE OF ILLINOIS )

COUNTY OF COOK )

SS

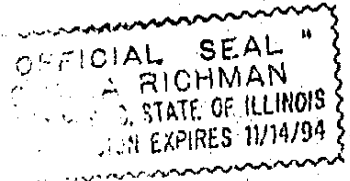
I, DONNA RICHMAN, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that ROBIN S. COFFEY and VICE PRESIDENT who is/are personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instruments as and appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument as his/her/their own, free and voluntary act and as the free and voluntary act of HARRIS TRUST & SAVINGS BANK for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19 day of JUNE, 1992.

Donna Richman

My Commission Expires:

11/14/94



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## EXHIBIT A

Lot 7 and the South 10 feet of Lot 6 in Block  
9 in John L. Cochran's subdivision of the  
West  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 8,  
Township 40 North, Range 14 East of the Third  
Principal Meridian, in Cook County, Illinois.

Permanent Tax Index Number: 14-08-207-012

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## EXHIBIT B

### "Junior Loan Documents"

1. Junior Mortgage Note dated June 19, 1992 in the amount of \$113,822.78;
2. Junior Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement dated June 19, 1992 and recorded as Document Number 92-452051;
3. Subordination Agreement dated June 19, 1992 between Residential Energy Conservation Loan Fund as Junior Lender and Bank of Chicago/Lakeshore as Senior Lender recorded as Document Number 92-452053 on June 22, 1992; and
4. Subordination Agreement dated June 19, 1992 between Jerome S. Lamet as Junior Lender and Bank of Chicago/Lakeshore as Senior Lender recorded as Document Number 92-452055 on June 22, 1992.

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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

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Name]

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## EXHIBIT C

### "Senior Loan Documents"

1. Senior Mortgage Note dated June 19, 1992 in the amount of \$1,160,000.00;
2. Senior Mortgage dated June 19, 1992 and recorded June 22, 1992 as Document Number 92-452049;
3. Assignment of Leases and Rents dated June 19, 1992 and recorded June 22, 1992 as Document Number 92-452050;
4. Subordination Agreement dated June 16, 1992 and recorded June 22, 1992 as Document Number 92-452052; and
5. Subordination Agreement dated June 16, 1992 and recorded June 22, 1992 as Document Number 92-452054.

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PROPERTY

RECORDS

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the County of Cook, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CLERK OF COOK COUNTY

COOK COUNTY, ILLINOIS

PROPERTY RECORDS

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