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ILLINOIS HEALTH FACILITIES AUTHORITY

AND

NBD BANK

SUBORDINATION AGREEMENT

Dated December 30, 1992

This instrument was prepared by:

Julie E. Knipsien
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603
Box 211



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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made as of this 30th day of December, 1992, between the ILLINOIS HEALTH FACILITIES AUTHORITY, a body corporate and politic of the State of Illinois (the "Issuer"), and NBD BANK, an Illinois state banking corporation (the "Lender").

RECITALS

A. CLEARBROOK CENTER FOUNDATION, an Illinois not for profit corporation (the "Pledgor") is the fee owner of the real property set forth in Schedule I hereto (the "Property").

B. Pursuant to a Loan Agreement and Mortgage dated as of August 1, 1988 between the Issuer and the Pledgor (the "Issuer Mortgage"), the Pledgor has received a loan from the Issuer in the total principal sum of \$1,754,000, with interest thereon as provided for therein, payable to the Issuer (the "Issuer Loan"). The Issuer Loan is secured under the terms of the Issuer Mortgage by a mortgage and lien on the Property from the Pledgor to the Issuer and was funded from a portion of the proceeds of Illinois Health Facilities Authority Revenue Bonds, Series 1988A, 1988B and 1988C (Community Provider Pooled Loan Program), the repayment of principal and interest thereon which is insured by Municipal Bond Investors Assurance Corporation ("MBIA").

C. The Issuer Loan is secured by the following document(s) encumbering the Property:

1. The Issuer Mortgage recorded November 14, 1988.
2. UCC-1 Financing Statements number 2479767 and number 2479770 recorded September 26, 1988.
3. UCC-2 Financing Statement number 27951 recorded November 14, 1988.

(All of the documents described in Paragraphs C above shall be collectively referred to as the "Issuer Loan Documents").

D. In order to obtain certain lines of credit from the Lender, the Lender has requested that the Pledgor pledge certain assets as security for such Loan (the "Lender Loan"). In order to secure such loan, the Pledgor pursuant to (a) a Mortgage, (b) a UCC-1 financing statement, (c) a UCC-2 financing statement and (d) an Assignment of Real Estate Leases and Rentals, will give the Lender a mortgage on and security interest in the real and personal property constituting and located upon the Property.

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(All of the documents in paragraph D above shall be collectively referred to as the "Lender Loan Documents").

E. Pursuant to the terms of the Issuer Loan Agreement, the Issuer Mortgage is a prior and superior lien or charge upon the Property subject only to Permitted Encumbrances (as defined in the Issuer Loan Agreement).

F. The Issuer is willing to permit the ~~Borrower~~^{*}'s securing of the Lender Loan as described above and MBIA is willing to consent to the Lender Loan Documents as Additional Permitted Encumbrances under the Issuer Loan Agreement provided that (i) the Issuer Loan Documents remain a lien or charge upon the Property prior and superior to the Lender Loan Documents and (ii) the Lender will specifically and unconditionally subordinate the Lender Loan Documents to the lien of the Issuer Loan Documents.

G. It is to the mutual benefit of the parties hereto that the Lender make the Lender Loan to the ~~Borrower~~.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Issuer and MBIA to consent to the Lender Loan and the Lender's subordinate lien on the Property, the parties hereto agree as follows:

1. The payment of all of the ~~Borrower~~^{*}'s indebtedness to the Lender of every type and description, whether now existing or hereafter created or incurred and whether several or joint and several (all such indebtedness hereinafter collectively referred to as "Subordinated Indebtedness"), is hereby expressly subordinated to the extent and in the manner hereinafter set forth to the payment in full of all of the obligations of the ~~Borrower~~ to the Issuer (hereinafter the "Issuer Indebtedness").

2. Without the prior written consent of the Issuer and MBIA, the Lender will not demand, receive or accept any principal or interest payment from the ~~Borrower~~ in respect of the Subordinated Indebtedness in the event the ~~Borrower~~ is in default in any respect on any of its then existing Issuer Indebtedness.

3. In the event that the Lender shall receive any payment on the Subordinated Indebtedness which the Lender is not entitled to receive under the provisions of the foregoing paragraph, the Lender will hold the amount so received in trust for the Issuer and will forthwith turn over such payment to the Issuer in the form received (except for the endorsement of the Lender where necessary) for application on the then existing Issuer Indebtedness (whether due or not due), in such manner of application as the Issuer may deem appropriate, and in the event of the failure of the Lender to make any endorsement required under this Subordination Agreement, the Issuer, or any of its officers or employees on behalf of the Issuer, is hereby irrevocably appointed as the attorney-in-fact for the Lender to make the same in the Lender's name.

* Pledgor

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4. The Lender will not exercise any remedies under the Lender Loan Documents, commence any action or proceeding against the ~~Borrower~~ to recover all or any part of the unpaid principal amount of the Subordinated Indebtedness or join with any creditor (unless the Issuer shall so join) in bringing any proceedings against the ~~Borrower~~ under any bankruptcy, reorganization, readjustment of debt, arrangement of debt, receivership, liquidation or insolvency law or statute of the federal or any state government, unless and until the Issuer and MBIA have consented to such action in writing or the Issuer indebtedness has been paid in full.

5. In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement with creditors, whether or not pursuant to bankruptcy laws, the sale of all or substantially all of the assets, dissolution, liquidation or any other marshalling of the assets or liabilities of the ~~Borrower~~, the Lender will file all claims, proof of claim, or other instrument of similar character necessary to enforce the obligations of the ~~Borrower~~ in respect of the Subordinated Indebtedness and will hold in trust for the Issuer and promptly pay over to the Issuer in the form received (except for the endorsement of the Lender where necessary) for application on the then existing Issuer Indebtedness, any and all moneys, dividends or other assets received in any such proceedings on account of the Subordinated Indebtedness, unless and until the Issuer Indebtedness has been paid in full. In the event that the Lender shall fail to take any such action, the Issuer, as attorney-in-fact for the Lender, may take such action on behalf of the Lender. The Lender hereby irrevocably appoints the Issuer, or any of its officers or employees on behalf of the Issuer, as the attorney-in-fact for the Lender to demand, sue for, collect and receive any and all such moneys, dividends or other assets and give acquittance therefor and to file any claim, proof of claim or other instrument of similar character, and to take such other proceedings in the Issuer's own name or in the name of the Lender as the Issuer may deem necessary or advisable for the enforcement of the agreements contained herein; and the Lender will execute and deliver to the Issuer such other and further powers-of-attorney or instruments as the Issuer or MBIA may reasonably request in order to accomplish the foregoing.

6. Without the prior written consent of the Issuer and MBIA, which consent shall not be unreasonably withheld, the Lender will not assign, transfer, pledge or otherwise deliver possession to others of any of the documents evidencing the Subordinated Indebtedness or agree to a discharge or forgiveness of the same so long as there remains outstanding any Issuer Indebtedness and until this Subordination Agreement is terminated as hereinafter provided. In the event the Issuer and MBIA shall so consent, the Lender shall, prior to any assignment, transfer, pledge or deliver, cause all notes, bonds, debentures or other instruments evidencing the Subordinated Indebtedness or any part thereof to contain a specific statement thereon to the effect that the indebtedness thereby evidenced is subject to the provisions of this Subordination Agreement.

7. None of the provisions of this Subordination Agreement shall be deemed or construed to constitute a commitment or an obligation on the part of the Issuer to make any future loans or other extensions of credit or financial accommodation to the ~~Borrower~~.

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8. This Subordination Agreement shall constitute a continuing of subordination, and the Lender hereby consents that the Issuer may continue, without notice to or consent by the Lender, to make loans and extend other credit or financial accommodation to or for the account of the ~~Borrower~~ in reliance upon this Subordination Agreement until written notice of revocation of such consent shall have been received by the Issuer and MBIA from the Lender. Any such notice of revocation of consent shall not affect this Subordination Agreement in relation to any Issuer Indebtedness then existing or created thereafter pursuant to any previous commitment of the Issuer to the ~~Borrower~~, or any extensions or renewals of any such Issuer Indebtedness, and as to all such Issuer Indebtedness and extensions or renewals thereof, this Subordination Agreement shall continue to be effective until the same have been fully paid with interest.

9. The Issuer may at any time, and from time to time, either before or after any such notice of revocation, without the consent of or notice to the Lender, without incurring responsibility to the Lender, and without impairing or releasing any of its rights, or any of the obligations of the Lender hereunder:

(a) change the interest rate or change the amount of payment or extend the time of payment or renew or otherwise alter the terms of any Issuer Indebtedness or any instrument evidencing the same in any manner;

(b) sell, exchange, release or otherwise deal with all or any part of any property at any time securing payment of Issuer Indebtedness or any part thereof;

(c) release anyone liable in any manner for the payment or collection of Issuer Indebtedness or any part thereof;

(d) exercise or refrain from exercising any right against the ~~Borrower~~ or others (including the Lender); and

(e) apply any sums received by the Issuer, by whomsoever paid and however realized, to Issuer Indebtedness in such manner as the Issuer shall deem appropriate.

10. No waiver shall be deemed to be made by the Issuer of any of its rights hereunder unless the same shall be in writing signed by the Issuer and MBIA, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of the Issuer or the obligations of the Lender to the Issuer in any other respect at any other time.

11. Except as provided in this Agreement, the terms and provisions of the Lender Loan Documents shall remain in full force and effect.

12. This Agreement shall inure to the benefit of the parties hereto and their successors and assigns.

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13. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14. This Agreement supercedes all prior subordination agreements, contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an Agreement in writing signed by the Lender, the Issuer and MBIA.

15. All notices, requests, demands and communications delivered hereunder shall be sent to the following addresses:

Illinois Health Facilities Authority
35 East Wacker Drive
Suite 2188
Chicago, Illinois 60601

NBD Bank (insert name of Lender)
900 E. Kensington Road
Arl. Hts. , Illinois 60004

Municipal Bond Investors
Assurance Corporation
113 King Street
Armonk, New York 10501

or to such other address as any of such parties shall request in writing.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

17. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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Executed as of the date first above written.

ILLINOIS HEALTH FACILITIES AUTHORITY

By: *Maugh M. Anderson*
Title: EXECUTIVE DIRECTOR

NBD Bank

[insert name of Lender]

By: *Howard L. Schiff*
Title: Assistant Vice President

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

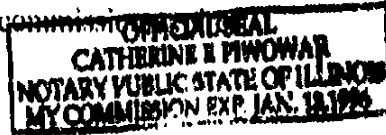
The foregoing instrument was acknowledged before me this 30th day of December, 1992 by Mary M. McInerney, the Executive Director of the ILLINOIS HEALTH FACILITIES AUTHORITY, a body politic and corporate, on behalf of the Authority.

Catherine E. Piwowar

Notary Public

(SEAL)

My commission



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

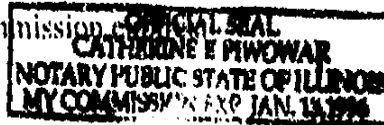
The foregoing instrument was acknowledged before me this 30th day of December, 1992 by Howard L. Schiff, the Assistant Vice President of the NBD BANK, an Illinois state banking corporation, on behalf of the Bank.

Catherine E. Piwowar

Notary Public

(SEAL)

My commission



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The undersigned hereby acknowledges receipt of a copy of this Agreement and agrees to all of the terms and provisions hereof, and agrees to and with the Issuer that the undersigned will make no payment of the Subordinated Indebtedness therein described, nor consent to or participate in any act whatever, which payment or act is in violation of any of the provisions of this Agreement. The undersigned hereby authorizes the Issuer, without notice to the undersigned, to declare all of the Issuer Indebtedness to be due and payable forthwith upon any violation by the undersigned of any of the provisions of this Agreement.

CLEARBROOK CENTER FOUNDATION AN ILLINOIS
NOT-FOR-PROFIT CORPORATION

(insert name of ~~BORROWER~~)

By: Robert J. Paddock
Title: Robert Paddock, President

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. COOK COUNTY RECORDER

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SCHEDULE 1

The East 681.43 feet of the North 575 feet of the
South 625 feet of the East 1060 feet of the South
West Quarter of Section 36, Township 42 North, Range
10 East of the Third Principal Meridian in Cook County,
Illinois.

Address: 2800 W. Central Road
Rolling Meadows, IL 60008

P.I.N. 02-36-102-004

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