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THIS INSTRUMENT WAS DRAFTED BY:

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DEPT-01 RECORDING	\$35.00
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#5905 # KF *-97-479105	
COOK COUNTY RECORDER	
DEPT-10 PENALTY	\$32.00

Draft Date: 6/29/97
BSL Loan No. 620001

SUBORDINATION AGREEMENT

June 26 This Subordination Agreement (this "Agreement") is made as of June 26, 1997 by and between RellaStar Bankers Security Life Insurance Company, a New York corporation formerly known as Bankers Security Life Insurance Society, successor by merger to The North Atlantic Life Insurance Company of America ("Senior Lender"), and Devon Bank, a state banking corporation ("Subordinated Lender").

3550
832.00

RECITALS:

A. Senior Lender is the owner and holder of a Promissory Note (the "Senior Note") dated August 17, 1995, evidencing a loan (the "Loan") in the aggregate principal amount of One Million Six Hundred Thousand and No/100 Dollars (\$1,600,000) made by 5130 W. North Avenue Limited Partnership, an Illinois Limited Partnership ("Borrower"), payable to the order of Senior Lender.

B. Senior Lender is the owner and holder of the following documents which, in part, secure the Senior Note:

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- (a) a Mortgage and Security Agreement from Cole Taylor Bank, as Trustee, and Borrower in favor of Senior Lender dated August 17, 1995, recorded August 23, 1995, in the office of the Recorder of Cook County, Illinois, as Document No. 95558882 (the "First Mortgage"); and
- (b) an Assignment of Rents and Leases dated August 17, 1995, recorded August 23, 1995, in the office of the Recorder of Cook County, Illinois, as Document No. 95558883 (the "First Assignment").

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The First Mortgage and the First Assignment, together with all other documents and instruments evidencing and securing the Senior Note, as the same may from time to time be modified and amended, are hereinafter collectively referred to as the "Senior Loan Documents."

C. Subordinated Lender is the owner and holder of a certain Note (the "Subordinated Note") dated June 26, 1997, in the original principal amount of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000) made by Borrower and payable to the order of Subordinated Lender. Subordinated Lender is also the owner and holder of a Junior Construction Mortgage from Borrower in favor of Subordinated Lender (the "Subordinated Mortgage"), dated as of June 26, 1997, recorded _____, 1997, in the Office of

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the Cook County, Illinois, Recorder as Document No. _____, The Subordinated Note and the Subordinated Mortgage, together with all other documents evidencing and/or securing the Subordinated Note, as the same may from time to time be modified or amended, are hereinafter collectively referred to as the "Subordinated Loan Documents."

D. All indebtedness and obligations now existing or hereafter arising, due or to become due, under the Senior Note and/or the Senior Loan Documents are herein called the "Senior Liabilities."

E. All indebtedness and obligations now existing or hereafter arising, due or to become due, under the Subordinated Loan Documents are herein called the "Subordinated Liabilities."

F. Senior Lender has agreed to consent to the encumbrance of the property encumbered by the First Mortgage, as such property is legally described on Exhibit A attached hereto (the "Property"), by the Subordinated Loan Documents on the condition that Subordinated Lender enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

1. Subordination of Liens. Subordinated Lender hereby agrees that the liens and security interests created by the Subordinated Loan Documents are and shall be subordinate, junior and secondary, to the liens and security interests created by the Senior Loan Documents and to any and all amendments, modifications, extensions, replacements or renewals of the Senior Loan Documents, to the full amount of all indebtedness now or at any time hereafter payable pursuant to or secured by the Senior Loan Documents, notwithstanding the date of execution, date of recording or date of disbursement of funds by Senior Lender. Without limiting the generality or breadth of the foregoing, the Subordinated Liabilities (including, without limitation, those presently existing and those which first arise, exist or accrue at any time hereafter), the Subordinated Loan Documents, and the respective liens and security interests thereof, are and shall be expressly subject and subordinate in all respects to the Senior Liabilities (including, without limitation, those presently existing and those which first arise, exist or accrue at any time hereafter), the Senior Loan Documents, the respective liens and security interests thereof, and to any and all advances made at any time or from time to time on or with respect to the Senior Liabilities, in whatever amounts and whenever made, with interest thereon, and to any and all expenses, charges, fees accruing on or incurred with respect thereto or in connection therewith, including (without limitation) any and all of such advances, interest, charges, fees and expenses which may increase the indebtedness evidenced and secured by the Senior Loan Documents above the original face principal amount of the Senior Note.

2. Waiver by Subordinated Lender. Subordinated Lender hereby waives (a) notice of the existence, creation or nonpayment of all or any of the Senior Liabilities; and (b) all diligence in collection, protection of or realization upon the Senior Liabilities or any security therefor.

3. Warranties and Covenants of Subordinated Lender. Subordinated Lender shall not, without the prior written consent of Senior Lender, (a) modify, amend or consent to any modification or amendment of any document evidencing or securing the Subordinated

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Liabilities; or (b) commence, or join with any other creditor in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to Borrower. Subordinated Lender hereby subordinates the Subordinated Mortgage to all leases of space in the Property, whether now existing or hereafter made. If Subordinated Lender obtains appointment of a receiver or otherwise collects any rental or other revenues from the Property, (i) no rentals or other revenue may be applied to any Subordinated Liabilities while any Senior Liabilities are due and payable, and (ii) Senior Lender may as a matter of right replace the receiver with a receiver of its choosing if there is a default under any of the Senior Loan Documents.

4. Bankruptcy of Borrower. In the event of any dissolution, winding-up, liquidation, readjustment, reorganization or other similar proceedings relating to Borrower, Borrower's creditors, or to Borrower's property (whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership, or upon an assignment to benefit creditors or any other marshalling of the assets and liabilities of Borrower, or any sale of all or substantially all of the assets of Borrower, or otherwise), the Senior Liabilities shall first be paid in full before Subordinated Lender shall be entitled to receive and retain any payment or distribution with respect to the Subordinated Liabilities.

5. Notices of Default. Subordinated Lender hereby agrees to give Senior Lender, contemporaneously with the giving thereof to the Borrower, copies of any notices given to Borrower regarding any default under the Subordinated Loan Documents or which notice would, following the passage of time and failure to cure, result in the occurrence of a "default" or "event of default" under the Subordinated Loan Documents. Senior Lender shall not be required to give Subordinated Lender notice of any default in the Senior Loan Documents.

6. Insurance Proceeds and Condemnation Awards. Subordinated Lender agrees that in the event of a casualty to the buildings or improvements constructed on the Property, or a condemnation or taking under a power of eminent domain of the Property or the buildings or improvements thereon, or a threat of such a condemnation or taking, all adjustments of insurance claims, condemnation claims and settlements in anticipation of such a condemnation or taking shall be prosecuted, at Senior Lender's election, by Senior Lender and all payments and settlements of insurance claims or condemnation awards or payments in anticipation of condemnation or a taking shall be paid to Senior Lender. Subordinated Lender hereby irrevocably assigns to Senior Lender all of its interests in any such claims, settlements or awards (the "Award") and irrevocably grants to Senior Lender a power of attorney, coupled with an interest, to execute any and all documents on Subordinated Lender's behalf necessary in connection with the prosecution or settlement of the Award. In the event the amount of the Award is in excess of all amounts due under the Senior Liabilities, Senior Lender agrees that such excess Award shall be paid to or held for the benefit of Subordinated Lender.

7. Permitted Actions by Senior Lender. Senior Lender may, from time to time, in its sole discretion and without notice to Subordinated Lender, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the Senior Liabilities; (b) add to those parties liable under the Senior Loan Documents any other party or parties; (c) extend, renew, alter or modify any of the Senior Liabilities; (d) release its security interest in, or surrender, release or permit any substitution or exchange for all or any part of the property securing any of the Senior Liabilities, or extend, renew, release, compromise, alter or modify any obligation of any nature of any obligor with respect to any such property; and (e) add certain property (including leases and rents) currently encumbered by the Subordinated Loan Documents to the collateral mortgaged and pledged to secure repayment of the Senior Note.

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8. Assignment. Senior Lender may, from time to time, without notice to Subordinated Lender, assign or transfer any or all of the Senior Liabilities or any interest therein; and notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Senior Liabilities shall be and remain Senior Liabilities for the purpose of this Agreement, and every immediate and successive assignee or transferee of any of the Senior Liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Senior Liabilities, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were Senior Lender.

9. Successors and Assigns. This Agreement shall be binding upon Subordinated Lender and its respective successors and assigns whether immediate or remote.

10. No Waiver by Senior Lender. Senior Lender shall not be prejudiced in its rights under this Agreement by any act or failure to act of Borrower or Subordinated Lender, or any non-compliance of Borrower or Subordinated Lender with any agreement or obligation, regardless of any knowledge thereof which Senior Lender may have or with which Senior Lender may be charged; and no action of Senior Lender permitted hereunder shall in any way affect or impair the rights of Senior Lender and the obligations of Subordinated Lender under this Agreement. No delay on the part of Senior Lender in the exercise of any rights or remedies shall operate as a waiver thereof, and no single or partial exercise by Senior Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon Senior Lender except as expressly set forth in a writing duly signed and delivered on behalf of Senior Lender.

11. Notice. Any notice, demand or other communication which any party may desire or may be required to give to any other party shall be in writing, and shall be deemed given (i) if and when personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below, or (iii) on the second (2nd) business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth below.

If to Senior Lender:

RellaStar Bankers Security Life Insurance Company
c/o RellaStar Investment Research, Inc.
100 Washington Avenue South, Suite 800
Minneapolis, Minnesota 55401-2121

If to Subordinated
Lender:

Devon Bank
6445 West Devon
Chicago, Illinois 60645

Any party hereto may change the address at which notices hereunder are required to be given to such party by notice to the other parties in accordance herewith.

12. Construction and Interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such a 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 to the extent of such

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DEVON BANK

By: [Signature]
Name DAVID J. FARON
Title Senior Vice President

STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, Anna Kowal, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT DAVID J. FARON, the person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation.

GIVEN under my hand and notarial seal this 16th day of June, 1997.

[Signature]
"OFFICIAL NOTARY PUBLIC"
ANNA KOWAL, Notary Public
NOTARY PUBLIC STATE OF ILLINOIS
My Commission Expires 12/31/98

MI:0263974.01

Clerk's Office

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CONSENT AND AGREEMENT OF BORROWER

5130 W. North Avenue Limited Partnership, an Illinois limited partnership ("Borrower") hereby acknowledges the terms of and consents to the foregoing Subordination Agreement and agrees for itself and its respective successors and assigns, for the benefit of Senior Lender, its successors and assigns, that (i) said Agreement does not constitute a waiver or partial waiver by Senior Lender of any of its rights under the Senior Loan Documents, or in any way release Borrower from its obligations to comply with the terms and conditions contained in the Senior Loan Documents (including without limitation the obligation to refrain from any further encumbering of the Property without the prior written consent of Senior Lender); and (ii) Borrower will not take any action contrary to or inconsistent with said Agreement.

5130 W. NORTH AVENUE LIMITED PARTNERSHIP
 BY: DREW DEVELOPMENT, INC., GENERAL PARTNER

By: [Signature]
 Name: DANIEL R. DREW
 Title: PRES

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, DAVID J. O'KEEFE, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT DANIEL R. DREW, the _____, of 5130 W. North Avenue Limited Partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his/her own free and voluntary act and as the free and voluntary act of said limited partnership.

GIVEN under my hand and notarial seal this 25th day of JUNE, 1997.

[Signature]
 Notary Public OFFICIAL SEAL
 DAVID J. O'KEEFE
 Notary Public, State of Illinois
 My Commission Expires 10/28/99

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EXHIBIT A

LEGAL DESCRIPTION

Lots 26 to 40, both inclusive, in Block 9 in Ullmann's Subdivision of the Southeast 1/4 of the Southwest 1/4 and the West 1/3 of the South 20 acres of the West 26.60 chains of the Southeast 1/4, all in Section 33, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Common address:

5130-68 West North Avenue
Chicago, Illinois

P.I.N.:

13-33-421-035-0000
13-33-421-036-0000
13-33-421-037-0000
13-33-421-051-0000

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