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94118 + CG #--97-591100
COOK COUNTY RECORDER
DEPT-10 PENALTY \$20.00

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SUBORDINATION AGREEMENT Subordination of Mortgage

THIS SUBORDINATION AGREEMENT (the "Agreement") is made and entered into this 6th day of August, 1997, by KEITH POTETTI and ADRIENNE POTETTI, husband and wife (the "Owner"), and NORWEST BANK COLORADO, NATIONAL ASSOCIATION (the "Beneficiary").

RECITALS

1. The Owner executed a mortgage (the "Beneficiary's Mortgage") dated June 12, 1996 encumbering the following described real property (the "Property"):

Lot 23 and the West 1/4 of Lot 24 in Hester and Bolster's Subdivision of Original Lot 2 and of Lots 1 to 5 in Foster's Subdivision of the North 1/4 of Lot 3 in Hundley's Subdivision of the East 1/4 of the Southeast 1/4 of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois;

to secure a promissory note in the sum of \$65,000.00 dated June 12, 1996, in favor of the Beneficiary, which Beneficiary's Mortgage was recorded June 25, 1996 as Document No. 96569079, in Official Records of Cook County, Illinois.

2. The Owner has or will execute a new mortgage (the "New Lender's Mortgage") and note in the sum of \$420,000.00 dated August 7, 1997, in favor of NORWEST MORTGAGE, INC. (the "New Lender"), which will also encumber the Property and which will also be recorded in the Official Records of Cook County, Illinois.

3. It is a condition precedent to obtaining the new loan (the "New Loan") from the New Lender that the New Lender's Mortgage shall unconditionally be and remain at all times a lien upon the Property that is prior and superior to the lien of the Beneficiary's Mortgage, and that the Beneficiary subordinates the Beneficiary's Mortgage to the New Lender's Mortgage.

4. It is to the mutual benefit of the parties to this Agreement that the New Lender make the New Loan to the Owner, and the Beneficiary is willing to subordinate the Beneficiary's Mortgage to the New Lender's Mortgage.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce the New Lender to make the New Loan, the parties agree as follows:

(1) That the New Lender's Mortgage, together with any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Property that is prior and superior to the lien or charge of the Beneficiary's Mortgage until the New Lender's promissory note secured by the New Lender's Mortgage is paid. Notwithstanding anything to the contrary, this Agreement shall not extend to any principal advances made by the New Lender after the date of the New Loan, except that this Agreement shall extend to future advances made for taxes, insurance, fees, costs, and expenses required to protect the interests of the New Lender in connection with the New Loan;

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(2) That the New Lender would not make the New Loan without this Agreement; and

(3) That this Agreement shall be the whole and only agreement with regard to the subordination of the Beneficiary's Mortgage to the New Lender's Mortgage.

The Beneficiary agrees and acknowledges:

(1) That the New Lender in making disbursements pursuant to the New Loan is under no obligation or duty to, nor has the New Lender represented that it will, see to the application of such proceeds by the person or persons to whom the New Lender disburses such proceeds;

(2) That the Beneficiary unconditionally subordinates the Beneficiary's Mortgage in favor of the New Lender's Mortgage and understands that in reliance upon, and in consideration of this subordination, specific loans and advances are being and will be made and as part and parcel thereof specific monetary and other obligations are being and will be entered into that would not be made or entered into but for said reliance upon this subordination; and

(3) That the Beneficiary's Mortgage has by this instrument been subordinated to the New Lender's Mortgage subject to the provisions of this Agreement.

Keith Potetti
KEITH POTETTI, Owner
Adrienne Potetti
ADRIENNE POTETTI, Owner

NORWEST BANK COLORADO,
NATIONAL ASSOCIATION
Charles Rapiar
Charles Rapiar
Vice-President

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STATE OF COLORADO)
) SS.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 6th day of August, 1997, by Charles Rapiar as Vice-President of NORWEST BANK COLORADO, NATIONAL ASSOCIATION.

WITNESS my hand and official seal.
My commission expires: 3/3/2000

Sherree Schmidt
Notary Public Sherree Schmidt
STATE OF COLORADO
My Commission Expires 09/19/2000

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this ___ day of August, 1997, by KEITH POTETTI and ADRIENNE POTETTI.

WITNESS my hand and official seal.
My commission expires: _____

Laura A. Debelina
Notary Public

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"OFFICIAL SEAL"
LAURA A. DEBELINA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/06/01

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