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Project No. 9007

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**SUBORDINATION AGREEMENT**

This Subordination Agreement (the "Agreement") is made and entered into this 9th day of July, 1998 by and between Alternative Lending Mortgage Corp. (the "Lender") and the City of Country Club Hills, an Illinois municipal corporation (the "City") as follows:

1. The City is the present legal holder and owner of a certain mortgage dated September, 1, 1993 from Sabrina Moore, as Mortgagor, (the "Borrower"), to the City, as Mortgagee, recorded in Cook County, Illinois as Document Number 03029901, and concerning real property in Cook County, Illinois commonly known as 17600 Hawthorne Drive, Country Club Hills, Illinois, and which is legally described as follows:

LOT 75 IN J.E. MERRICK'S COUNTRY CLUB HILLS UNIT NO. 8, A SUBDIVISION OF PART OF THE NORTH 1/2 OF THE NORTHWEST 1/4 AND PART OF THE SOUTH WEST 1/4 OF SAID NORTHWEST 1/4 OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

( Permanent Index Number: 28-34-115-019 )

which mortgage secures the payment of a note in the original principal sum of Sixteen Thousand One Hundred Thirty Nine Dollars and 00/100 (\$16,139.00) plus advances in the amount of 0 Dollars (\$ 0), executed by Sabrina Moore and made payable to the City

2. a. That the City, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, hereby agrees to waive the priority of the lien of the mortgage described in paragraph 1. of this Agreement, but only insofar as the following described mortgage is concerned, but not otherwise:

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A first mortgage with Alternative Lending Mortgage Corp. Said mortgage from Sabrina Moore, as Mortgagor, to Alternative Lending Mortgage Corp. as Mortgagee, secures the payment of a note in the amount of One Hundred Eighteen Thousand Dollars 00/100 (\$118,000.00) (the "Lender's debt").

b. That the Lender's debt shall be defined to include not only the principal sum of One Hundred Eighteen Thousand Dollars 00/100 (\$118,000.00) but also any and all interest, late charges, attorney's fees, advances for real estate taxes or insurance made pursuant to the terms of the said mortgage necessary to preserve the Lender's lien. The terms of the note and mortgage are incorporated herein by reference as if fully set out herein.

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3. The City warrants to the Lender as follows:

- a. That the execution of the note and mortgage to Lender shall not constitute a default of the Borrower's obligation to the City.
- b. That in the event of a default under the subordinated debt, the City agrees to notify the Lender of such default and any actions of the Borrower which may be required to cure the same.

4. That the City hereby consents that the lien of the mortgage described in paragraph 1. of this Agreement shall be as second and inferior to the lien of the mortgage described in paragraph 2. of this Agreement.

5. That the Lender may, in its discretion, and at any time, and from time to time, without consent **but with notice to the City**, and, with or without valuable consideration, release any person primarily or secondarily liable on the Lender's debt, or may permit substitution or withdrawals of any security or collateral at any time securing payment of said indebtedness or release, any such security or collateral, or renew and extend or accept any partial payments on the Lender's debt, or alter in such manner as the Lender shall deem proper the terms of any instruments evidencing or securing the Lender's debt or any part thereof, without in any manner impairing the Lender's rights hereunder. It shall not be necessary for the Lender, in order to enforce its rights hereunder to institute suit or exhaust its remedies against any person obligated to pay the Lender's debt.

That both the Lender and the City agree that nothing in this paragraph shall be construed to affect or limit the rights of the City under its mortgage or any of the other Community Development Block Grant documents related to said mortgage.

7. That the Lender, in the event of default by the Borrower on the Lender's debt, warrants that it will notify the City of the default and any actions of the Borrower which may be required to cure the same.

8. That this Agreement constitutes a continuing subordination until the Lender's debt and any renewal, extension, or other liabilities arising out of said debt or any part thereof is repaid in full. This Agreement is cumulative of all other rights and securities of both the Lender and the City and no waiver by the Lender or the City of any right hereunder with respect to a particular payment shall affect or impair its rights in any other documents or matters occurring at any time.

9. That this Agreement shall be governed by the laws of the State of Illinois.

10. That this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each of the parties hereto, but the Lender and the City agree that neither shall assign their respective claims or any part thereof, without making the rights and interests of the assignee subject in all respects to the terms of this Agreement.

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CITY OF COUNTRY CLUB HILLS --- MURPHY

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Dated this 9 day of July, 1998.

CITY OF COUNTRY CLUB HILLS, COUNTRY CLUB HILL, ILLINOIS

BY:

Mayor

ATTEST:

Clerk

(SEAL)

MAIL TO:

Alternative Lending Mortgage Corp.  
2803 Butterfield Road, suite #200  
Oak Brook, IL 60523

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ATTEST: \_\_\_\_\_

(SEAL)

ITS: \_\_\_\_\_

Prepared by: **Henrietta Turner**  
Community Development Planner  
City of Country Club Hills, IL

Approved by: *Judith N. Johnson, City Attorney*

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