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Prepared By & Mail To:

LIBERTY FEDERAL BANK
4062 SOUTHWEST HIGHWAY
HOMETOWN, ILLINOIS 60456 98866133
38715

. DEPT-01 RECORDING

131.

. T#0009 TRAN 3974 09/28/98 13:15:00

. #6576 + RC: *-98-86643
. COOK COUNTY RECORDER

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Property of

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made and entered this 10th day of August, 1998 by and among SOUTHWEST FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO, NOW KNOWN AS LIBERTY FEDERAL BANK, ITS SUCCESSORS AND/OR ASSIGNS (the "Lender"), HOUSEHOLD FINANCE CORPORATION III, (the "Subordinating Party") and DENNIS W. MALLOY AND AUDREY K. MALLOY, HIS WIFE (hereinafter collectively referred to as the "Borrowers").

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WHEREAS, the Lender as a condition precedent to the origination of a loan to the Borrowers requires the subordination of the lien held by the Subordinating Party;

WHEREAS, the Subordinating Party agrees to subordinate its lien on that property identified on the attached Exhibit "A" (hereinafter the "Property");

NOW THEREFORE, in connection of Ten Dollars (\$10.00) in hand paid by the Borrowers to the Lender and the Subordinating Party and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Borrowers, the Lender and the Subordinating Party hereby mutually agree as follows:

1. The superior debt ("Superior Debt") is more fully described in a Note (the "Note") in the original principal sum of \$78,000.00 executed by the Borrowers, made payable to Lender and secured by a Mortgage filed/recorded or to be filed/recorded in the Office of the Registrar/Recorder of Cook County, Illinois, copies of which are attached hereto as Exhibits B and C.

2. The superior debt shall be defined to include not only the principal sum of the Note but also any and all interest, late charges, attorney's fees, advances for real estate taxes or insurance, along with any and all other sums which may become due

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and payable under the terms of the Note or the Mortgage along with any additional advances which may be made pursuant to the terms of said Mortgage. The terms of said Note and Mortgage are incorporated by reference herein as if fully restated here at.

3. The subordinated debt ("Subordinated Debt") is more fully described in a Note made payable to Subordinating Party in the original principal sum of \$25,000.00 previously executed on the 13th day of July, 1998 by the Borrowers and secured by a Mortgage dated the 13th day of July, 1998 and recorded/registered as Document No. 96561110 in the Registrar/Recorder's Office of Cook County, Illinois.

4. The Subordinating Party agrees that the Subordinated Debt and all sums secured thereby is made Subordinate, subject and inferior by this Agreement to the Superior Debt held by the Lender.

5. The Subordinating Party as an inducement to Lender to make its Mortgage to the Borrowers warrants as follows:

- a. That the Borrowers are not in default of their obligations as may be set forth in the Subordinated Debt more fully described above.
- b. That the execution of the Note and Mortgage to lender shall not constitute a default of the Borrowers obligation to the Subordinating Party.
- c. That in the event of a default under the Subordinated Debt, the Subordinating Party agrees to advise the Lender of such default and any actions of Borrowers which may be required to cure the same.

6. Lender, may, without the prior consent of the Subordinating Party and in solely Lender's discretion, release any party primarily or secondarily liable upon the Superior Debt or may permit substitution or withdrawals of any security or collateral at any time securing payment of said indebtedness, release any such security or collateral, renew or extend or accept any partial payments upon said Superior Debt, or alter the terms in such manner as Lender shall deem proper, of any such instruments evidencing or securing such Superior Debt or any part thereof without in any manner impairing its rights hereunder. It shall not be necessary for Lender to exhaust its remedies against any person obligated to pay the Superior Debt.

7. This Agreement constitutes a continuing subordination until the Superior Debt and all money secured thereby, is released and a release of the Superior Debt registered/recorded against the property. This Agreement is cumulative of all other rights and securities to Lender. No waiver by lender of any right hereunder or its Note or Mortgage shall affect or impair

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its rights in any manners thereafter occurring. Any forbearance by the Lender shall not be deemed to be a waiver by Lender of any right that it may have.

8. The Borrowers and the Subordinating Party agree to execute such further instruments as may, in the opinion of Lender, be necessary or appropriate to fully carry out the intent and purpose hereof.

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

10. This Agreement is binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each of the parties hereto, but the Subordinating Party covenants that it will not assign the claim of the Subordinating Party or any party thereof, without making the rights and interest of said assignee subject in all respects to the terms of this Agreement.

IN WITNESS WHEREOF, the undersigned have set their hand and seal this 5th day of August, 1998.

BORROWERS:

Dennis W. Malloy
Dennis W. Malloy
Audrey K. Malloy
Audrey K. Malloy

LENDER:

LIBERTY FEDERAL BANK

By: *Theresa A. Malloy*
Its: *Vice President*
Attest: *Patricia Webber*
Its: *Asst. Secretary*

SUBORDINATING PARTY:

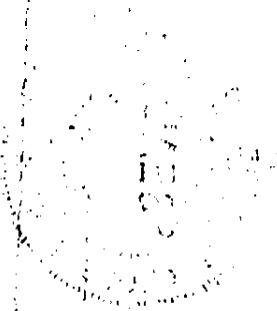
HOUSEHOLD FINANCE CORPORATION

By: *S. Etheridge*
Its: *Vice President*
Attest: *A. Falpe*
Its: *Asst. Secretary*

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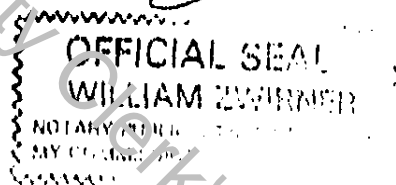
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STATE OF ILLINOIS)
COUNTY OF DuPage) SS:

I, William Zwiener, do hereby certify that
S. Etheridge, personally known to me to
be the Vice President of Household Finance Corp III,
a A. VOLPE, and ASST. SECRETARY of
personally known to me to be the ASST. SECRETARY of
said corporation and both of whom are personally known to me to
be the same persons whose names who are subscribed to the
foregoing Subordination Agreement, appeared before me this day in
person and severally acknowledged that as such
S. Etheridge Vice President and A. VOLPE - ASST. SECRETARY
they signed and delivered the foregoing Subordination Agreement
and caused the corporate seal of Household Finance Corp III
to be affixed thereto, pursuant to the authority given by the
Board of Directors of their free and voluntary act and deed of
TRUST, for the uses and purposes
set forth therein.

Given under hand and official seal this 19 day of
AUGUST, 1998.

William Zwiener
NOTARY PUBLIC



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Notary Public's Office

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EXHIBIT "A"

LOT 44 (EXCEPT THE SOUTH 10 FEET THEREOF) AND LOT 45 IN BLOCK 4 IN GREENWOOD PARK, A SUBDIVISION OF THE NORTH WEST 1/4 OF THE SOUTH WEST 1/4 (EXCEPT THE CHICAGO AND GRAND TRUNK RAILROAD RIGHT OF WAY) AND (EXCEPT THE PROPERTY CONVEYED TO THE DEPARTMENT OF TRANSPORTATION BY DEED RECORDED JULY 3, 1984, AS DOCUMENT 27157008) OF SECTION 13, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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