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PREPARED BY AND AFTER
RECORDING RETURN TO:

William B. Phillips, Esq.
Levin, McParland, Phillips & Minetz
180 North Wacker Drive
Chicago, Illinois 60606

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Cook County Recorder 35.50



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FOR RECORDERS USE ONLY

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made as of the 30th day of July, 1999 between COUNTRY LIFE INSURANCE COMPANY, an Illinois corporation ("Country Life") and BLUFF CITY MATERIALS, INC., an Illinois corporation (the "Second Mortgagee").

WITNESSETH:

A. Country Life is the holder of a promissory note dated February 7, 1996 in the principal sum of Three Million Nine Hundred Seventy-Five Thousand Dollars (\$3,975,000.00) which was executed and delivered by Cole Taylor Bank, not personally, but solely as successor to Harris Trust and Savings Bank, as Trustee under Trust Agreement dated April 9, 1984 and known as Trust No. 42698 ("Trust 42698"), Cole Taylor Bank, not personally, but solely as successor to Harris Trust and Savings Bank, as Trustee under Trust Agreement dated December 1, 1986 and known as Trust No. 43873 ("Trust 43873") and Cole Taylor Bank, not personally, but solely as successor to Harris Trust and Savings Bank, as Trustee under Trust Agreement dated December 30, 1986 and known as Trust No. 44034 ("Trust 44034").

B. Payment of the Note is secured by:

1. a mortgage dated as of February 7, 1996 and recorded on March 5, 1996 as Document No. 96164975 in Cook County, Illinois (the "Mortgage") which secures the Note;
2. an assignment of rents and leases dated as of February 7, 1996 and recorded on March 5, 1996 as Document No. 96164976 in Cook County, Illinois (the "Assignment of Rents") which secures the Note;
3. specific assignment of leases and rents dated as of February 7, 1996 and recorded on March 5, 1996 as Document No. 96164977 in Cook County, Illinois (the "Specific Assignment");
4. security agreement-chattel mortgage dated as of February 7, 1996 (the "Security Agreement").

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C. Trust 42698 and Trust 43873 (collectively the "Borrower") have conveyed the property legally described on Exhibit "A" attached hereto (the "Premises") to Heritage Capital Ventures II, L.L.C., an Illinois limited liability company (the "Purchaser") and the Purchaser has assumed the Borrower's obligations under the Note, the Mortgage, the Specific Assignment and the Security Agreement pursuant to the terms of an Assumption Agreement dated as of July 30, 1999 and recorded on August 9, 1999, as Document No. 99759229 in Cook County, Illinois (the "Assumption Agreement"). The Note, the Mortgage, the Specific Assignment, the Security Agreement and the Assumption Agreement are collectively referred to as the "Country Life Loan Documents".

D. In connection with the purchase of the Premises, the Purchaser has executed and delivered to the Second Mortgagee a Secured Promissory Note dated July 30, 1999 in the principal amount of Five Hundred Thousand Dollars (\$500,000.00) (the "Second Note") and a Junior Mortgage, Assignment of Rents and Security Agreement dated _____, 1999 and recorded on 8-12-99, 1999 as Document No. 99772039 in Cook County, Illinois (the "Second Mortgage"). The Second Note and the Second Mortgage are collectively referred to as the "Second Mortgage Loan Documents".

E. The Second Mortgagee has agreed that the lien of the Second Mortgage Loan Documents, and its rights and remedies in connection therewith is, and at all times shall be, subject and subordinate to the lien of the Country Life Loan Documents.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto agree as follows:

1. **INCORPORATION OF RECITALS:** The matters set forth in paragraphs A through E, both inclusive, of the Recitals are hereby incorporated by reference as though fully set forth herein.

2. **SUBORDINATION:** The Second Mortgagee hereby acknowledges and agrees that until the indebtedness evidenced by the Country Life Loan Documents has been paid in full, including but not limited to any amounts advanced by Country Life pursuant to the terms of the Country Life Loan Documents, and costs and expenses, including attorneys' fees incurred by Country Life in enforcing the provisions of the Country Life Loan Documents (which is collectively referred to as the "Country Life Indebtedness") the Second Mortgage Loan Documents shall at all times be subject and subordinate to the Country Life Loan Documents, and the lien thereof.

3. **DEFAULT IN COUNTRY LIFE LOAN DOCUMENTS:** In the event a default occurs in the Country Life Loan Documents, Country Life shall give written notice of such default to the Second Mortgagee, if and to the extent notice of default is required to be given to the Purchaser pursuant to the Country Life Loan Documents and the Second Mortgagee shall have the same right and time, if any, to cure such default as the Purchaser has under the Country Life Loan Documents. The Second Mortgagee agrees that any payments received by it pursuant to the Second Mortgage Loan Documents after receiving a notice of default from Country Life, shall be promptly paid to Country Life for application to the Country Life Indebtedness.

4. DEFAULT IN SECOND MORTGAGE LOAN DOCUMENTS: In the event a default occurs in the Second Mortgage Loan Documents, the Second Mortgagee shall give written notice of such default to Country Life, and the Second Mortgagee agrees that it shall not exercise any of its remedies pursuant to the Second Mortgage Loan Documents, or at law and in equity, for a period of sixty (60) days after giving written notice of such default to Country Life unless prior to the expiration of such sixty (60) day period Country Life has commenced an action to foreclose the lien of the Country Life Loan Documents.

5. MISCELLANEOUS:

a). Entire Agreement: This Agreement contains the entire agreement of the parties hereto and shall not be altered, modified, or changed except by an instrument in writing, executed by or on behalf of all the parties hereto.

b). Notices: All notices and other communications required or agreed to be given pursuant hereto shall be in writing and shall be deemed properly served if (i) mailed by United States Certified Mail, postage prepaid; or (ii) delivered by hand to the party to whose attention it is directed and addressed as follows:

If to Country Life: c/o GMAC Commercial Mortgage Corporation
Suite 400, 100 South Wacker Drive
Chicago, Illinois 60606
Attn: Loan Servicing

If to Second Mortgagee: Bluff City Materials, Inc.
2109 West Bartelt Road
Elgin, Illinois 60120
Attn: Mr. Bill Haworth

With a copy to: Adrian Tabangay, Esq.
George D. Maurides & Associates
70 West Madison, Suite 2100
Chicago, Illinois 60602

c). Governing Law: This Agreement has been prepared in accordance with and shall be governed pursuant to, 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; provided, however, that if any such provision hereof shall be prohibited, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

d). Captions: The captions of this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement of any of the provisions hereof.

e). Benefit: Upon the execution of this Agreement by or on behalf of the parties hereto, the provisions hereof shall be binding on the parties hereto, their respective successors, assigns, grantees and legal representatives, if any.

f). Attorneys' Fees: In the event Country Life or Second Mortgagee commences litigation to enforce any of the provisions of this Agreement, the prevailing party in such litigation shall be entitled to recover his reasonable attorneys' fees from the non-prevailing party.

g). Waivers: No act or acts, omission or omissions, or series of acts or omissions, or waiver, acquiescence or forgiveness by either party hereto as to any default in or failure of satisfaction or performance, either in whole or in part, by the other of any of the provisions of this Agreement shall be deemed or construed to be a waiver of or election of remedies as to the rights at all times thereafter and the non-defaulting party may insist upon the full and complete satisfaction and performance by the other of each and all the respective provisions thereof to be satisfied and performed, in the manner and to the extent as the same are herein required to be satisfied and performed. No such waiver shall be deemed to be effective unless made in writing and executed by the party against whom such waiver is asserted.

h). Counterparts: This Agreement may be executed in counterparts which taken together shall be considered one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the day and year first above written.

COUNTRY LIFE:

COUNTRY LIFE INSURANCE COMPANY

By: _____
Title:

ATTEST:

By: _____
Title:

SECOND MORTGAGEE:

BLUFF CITY MATERIALS, INC.

By: _____
Title: *President*

ATTEST:

By: _____
Title:

e). Benefit: Upon the execution of this Agreement by or on behalf of the parties hereto, the provisions hereof shall be binding on the parties hereto, their respective successors, assigns, grantees and legal representatives, if any.

f). Attorneys' Fees: In the event Country Life or Second Mortgagee commences litigation to enforce any of the provisions of this Agreement, the prevailing party in such litigation shall be entitled to recover his reasonable attorneys' fees from the non-prevailing party.

g). Waivers: No act or acts, omission or omissions, or series of acts or omissions, or waiver, acquiescence or forgiveness by either party hereto as to any default in or failure of satisfaction or performance, either in whole or in part, by the other of any of the provisions of this Agreement shall be deemed or construed to be a waiver of or election of remedies as to the rights at all times thereafter and the non-defaulting party may insist upon the full and complete satisfaction and performance by the other of each and all the respective provisions thereof to be satisfied and performed in the manner and to the extent as the same are herein required to be satisfied and performed. No such waiver shall be deemed to be effective unless made in writing and executed by the party against whom such waiver is asserted.

h). Counterparts: This Agreement may be executed in counterparts which taken together shall be considered one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the day and year first above written.

COUNTRY LIFE:

COUNTRY LIFE INSURANCE COMPANY

By: Richard R. Scott
Title: Asst. Treasurer

ATTEST:

By: Haino S. Chacker
Title: Asst. Secretary

SECOND MORTGAGEE:

BLUFF CITY MATERIALS, INC.

By: _____
Title: _____

ATTEST:

By: _____
Title: _____

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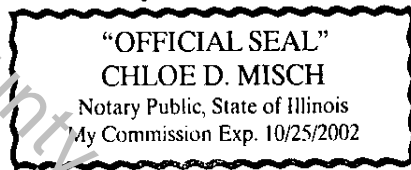
STATE OF ILLINOIS)
) SS:
COUNTY OF MCLEAN)

I, Chloe D. Misch, a Notary Public in and for and residing in said County, in the state aforesaid, DO HEREBY CERTIFY that Richard L. Scott, Assistant Treasurer of COUNTRY LIFE INSURANCE COMPANY, and Elaine L. Thacker, Assistant Secretary of said Corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Treasurer and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and the said Assistant Secretary did also then and there acknowledge that she, as custodian of the corporate seal of said Corporation, did affix the said corporate seal of said Corporation to said instrument as her own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 27th day of July, 1999.

Chloe D. Misch

Notary Public



STATE OF ILLINOIS)
) SS:
COUNTY OF)

I, _____, a Notary Public in and for and residing in said County, in the state aforesaid, DO HEREBY CERTIFY that _____, _____ President of _____, and _____, _____ Secretary of said Corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ President and _____ Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and the said _____ Secretary did also then and there acknowledge that _____, as custodian of the corporate seal of said Corporation, did affix the said corporate seal of said Corporation to said instrument as _____ own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 1999.

Notary Public

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EXHIBIT "A"
LEGAL DESCRIPTION

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Parcel 1:

That part of the South 13 acres of the East Half of the Northwest Quarter of Section 15, Township 42 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois, bounded and described as follows:

Beginning on the South line of said East Half of the Northwest Quarter of Section 15, at a point which is 447 feet East of the West line of said East Half, and running thence North parallel to the West line of said East Half of the Northwest Quarter, a Distance of 222 feet; thence West parallel to the South line of said East Half of the Northwest Quarter, a distance of 203.78 feet to an intersection with the Easterly right of way line of the Chicago, Milwaukee and St. Paul Railroad; thence Southeastwardly along said Easterly right of way line, a distance of 232.73 feet to an intersection with the South line of the East Half of the Northwest Quarter, aforesaid, and thence East along said South line, a distance of 133.75 feet, to the point of beginning, in Cook County, Illinois, except that portion lying within the right of way of Techny Road, in Cook County, Illinois.

Address of Property: **1894-1907 Techny Court, Northbrook, Illinois**
Permanent Index No.: 04-15-101-022

Parcel 2:

That part of the East Half of the Northwest Quarter of Section 15, Township 42 North, Range 12, East of the Third Principal Meridian, described as follows:

Beginning at a point in the South line of the East Half of the Northwest Quarter of Section 15, 507 feet East of the Southwest Corner thereof and running thence North parallel to the West line of said East Half of said Northwest Quarter, 525.40 feet; thence West parallel to the South line of said Northwest Quarter, 355.65 feet to the Easterly right of way of the Chicago, Milwaukee and St. Paul Railroad; thence Southeasterly along said Easterly right of way line, 317.94 feet to a point 222 feet North of the South line of said Northwest Quarter; thence East parallel to said South line 199.59 feet to a point 447.0 feet East of the West line of said East Half of the Northwest Quarter of said Section 15; thence South parallel to said West line 222 feet to the South line of said Northwest Quarter and thence East along said South 60 feet to the point of beginning in Cook County, Illinois.

Address of Property: **1828-1892 Techny Court, Northbrook, Illinois**
Permanent Index No.: 04-15-101-012