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Cook County Recorder 35.50



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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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1999

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 Mortgage").

WITNESSETH:

A. Country Life is the holder of a promissory note dated December 17, 1997 in the principal sum of Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) which was executed and delivered by Cole Taylor Bank, not personally but as Successor Trustee to Harris Trust and Savings Bank, as Trustee under Trust Agreement dated October 31, 1986 and known as Trust No. 43948 (the "Borrower").

B. Payment of the Note is secured by:

1. a mortgage dated as of December 17, 1997 and recorded December 24, 1997 as Document No. 97967567 in Cook County, Illinois (the "Mortgage") on the premises legally described on Exhibit "A" attached hereto (the "Premises");
2. a specific assignment of leases and rents dated as of December 17, 1997 and recorded December 24, 1997 as Document No. 97967568 in Cook County, Illinois (the "Specific Assignment");
3. a security agreement-chattel mortgage dated December 17, 1997 (the "Security Agreement").

C. The Borrower has conveyed the Premises to Heritage Capital Ventures I, 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. 9755242 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".

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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 AUG 12 1999 1999 as Document No. 99772039 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.

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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: _____

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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.

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COUNTRY LIFE:

COUNTRY LIFE INSURANCE COMPANY

By:

Title:

ATTEST:

By:

Title:

SECOND MORTGAGEE:

BLUFF CITY MATERIALS, INC.

By:

Title:

ATTEST:

By:

Title:

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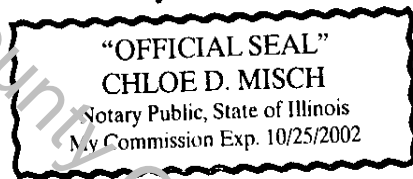
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STATE OF ILLINOIS)
) SS:
COUNTY OF MCLEAN)

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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99772042

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 COUNTRY LIFE INSURANCE COMPANY, 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

STATE OF ILLINOIS)
) SS:
COUNTY OF Cook)

I, Adrian Tabangay, a Notary Public in and for and residing in said County, in the state aforesaid, DO HEREBY CERTIFY that Michael P. Vendra _____ President of BLUFF CITY MATERIALS, INC., an Illinois corporation, 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 30th day of July, 1999.



Notary Public

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EXHIBIT "A"
LEGAL DESCRIPTION

99772042

Lots 10, 11 and 12 in Krohn's Chestnut Avenue Subdivision of parts of the Northwest 1/4 of Section 26 and the Northeast 1/4 of Section 27, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property: **1997-2019 and 1941-1989 Johns Drive, Glenview, Illinois**
Permanent Index No.: **04-27-203-009, 04-27-203-010, 04-27-203-008**

Property of Cook County Clerk's Office