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THIS DOCUMENT
PREPARED BY AND
AFTER RECORDING
MAIL TO:



Doc#: 0801047088 Fee: \$38.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/10/2008 12:41 PM Pg: 1 of 8

Paul A. Kolpak
Kolpak and Lerner
6767 N. Milwaukee Ave.,
Suite 202
Niles, IL 60714

PROPERTY ADDRESS:

6739 N. Milwaukee Ave.
Niles, IL 60714

P.I.N. (s)

10-31-213-064-0000

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made as of this 18 day of December, 2007 (the "Effective Date") by and among PLAZA BANK OF NORRIDGE, as lender ("Lender"), TED M. PRZYBYLO, AS EXECUTOR OF THE ESTATE OF ALYCE PRZYBYLO, as subordinated creditor ("Creditor"), 6 MILWAUKEE CORP., an Illinois corporation, as borrower ("Borrower") and ATHEA KROGER, VIVIAN PRZYBYLO-KOLPAK, ANDREW PRZYBYLO, ALICE PAWLICKI, VICTORIA PINDRAS and TED M. PRZYBYLO as borrower's guarantors (the "Borrower's Guarantors").

RECITALS

A. Pursuant to a Loan Agreement, dated as of December 7, 2007, between Lender and Borrower (the "Loan Agreement"), Lender has agreed to make a certain loan to Borrower in the principal amount of \$550,000.00 (the "Senior Loan"), upon the terms and conditions set forth in the Loan Agreement.

B. The Loan made by Lender pursuant to the terms of the Loan Agreement is to be evidenced by a concurrently dated Note and is intended to be secured by a first lien and security interest on Borrower's property set forth at Exhibit "A" hereto subject only to such exceptions as may be approved by Lender pursuant to the terms of the Loan Agreement.

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C. On August 1, 1995, Alyce Przybylo made a mortgage loan to Borrower in the principal amount of FIVE MILLION (\$5,000,000.00) DOLLARS (the "Previous Loan"). The Previous Loan was secured by a Mortgage and Security Agreement dated as of August 1, 1995, made by Borrower herein in favor of the Alyce Przybylo and recorded in the Office of the Cook County Recorder of Deeds as Document Number 95709362, encumbering the real property described in Exhibit A attached hereto and made a part hereof; an Assignment of Rents dated as of August 1, 1995, made by the Borrower herein in favor of Alyce Przybylo and recorded in the Office of the Cook County Recorder of Deeds as Document Number 95709363. The Previous Loan was subsequently modified by a Loan Modification Agreement recorded March 11, 1999 as Document Number 99234775 whereby the interest rate under the Loan was modified. The Previous Loan is guaranteed by Borrower's Guarantors.

D. Under the terms of the Previous Loan principal and interest are payable monthly in the amount of \$31,583.12 on the first day of each month, to and including December 1, 2003. In addition, the balance of principal remaining unpaid as of November 30, 2003 was due and payable, together with the final monthly payment of principal and interest due under the Note, on December 1, 2003.

E. As a condition to the making of the Loan from Lender to Borrower as described in Paragraph A, above, Lender has required, and Borrower, Borrower's Guarantors and Creditor each have agreed that the Previous Loan made by Alyce Przybylo and all claims by Creditor against Borrower and any of Borrower's Guarantors shall be fully and completely subject and subordinate, in every respect, to the Loan, all as more fully described and provided in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of Ten (\$10.00) Dollars, the covenants, promises and recitals set forth herein and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Lender, Creditor, Borrower and Borrower's Guarantors agree as follows:

1. **Adoption of Recitals.** The parties acknowledge that the Recitals are true and correct and are incorporated into this Agreement as though fully set forth herein.
2. **Definitions.** The following capitalized terms used in this Agreement shall have the meaning ascribed to such terms below:

Common Guarantors: Any third party or entity that has entered into any type of guaranty, co-borrower or surety arrangement in connection with both the Senior Indebtedness and the Creditor Indebtedness.

Creditor Indebtedness: All of the present and future indebtedness (principal and interest, any rights to receive distributions (capital or income) or to share in profits, fees, collection costs and expenses, and

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other amounts), liabilities and obligations of Borrower to Creditor, all of the foregoing whether fixed or contingent, matured or unmatured, liquidated or unliquidated.

Creditor Loan Documents: All present and future agreements, documents, and or instruments evidencing, documenting, securing or otherwise relating to any or all of the Creditor Indebtedness, all as the same may be amended, modified, extended, renewed or restated from time to time, including, without limitation, the Creditor Note.

Creditor Note: The Previous Loan from Creditor to Borrower and Borrower's Guarantors in the principal amount of \$5,000,000.00 as amended, modified or replaced from time to time.

Lender Collateral: The real property described in Exhibit "A" attached hereto.

Permitted Payments. All payments due under the Creditor Note.

Senior Indebtedness: All of the present and future indebtedness, liabilities and obligations of Borrower to Lender.

3. **Subordination.**

(a) **Generally.** The Creditor Indebtedness, the Creditor Loan Documents, and all claims, rights and interests therein or arising therefrom or related thereto against Borrower or any Common Guarantor, or any or all of the Lender Collateral, are hereby subjected and subordinated, fully, completely and in each and every respect, to the Senior Indebtedness, the Senior Loan Documents and all liens, rights, titles, assignments and security interests created by the Senior Loan Documents, in priority, right, claim and payment, including, without limitation, claims against any Common Guarantor.

(b) **Payment and Performance.** Creditor shall be entitled to accept Permitted Payments from Borrower and/or Borrower's Guarantors on account of the Creditor Indebtedness so long as no default exists with respect to the Senior Indebtedness at the time such payment is made by Borrower and/or Borrower's Guarantors.

4. **Creditor Representations.** Creditor hereby represents and warrants to Lender that:

(a) there exist under the Creditor's loan documents defaults, events of default or circumstances or states of fact that constitute defaults or events of default thereunder;

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(b) the original principal balance of the Creditor Indebtedness is \$5,000,000.00;

(c) Creditor has the power, authority and legal right to execute, deliver and perform this Agreement. This Agreement has been duly authorized by all necessary action of Creditor, duly executed and delivered by Creditor, and constitutes the valid and binding obligations of Creditor enforceable against Creditor in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity;

5. **Certain Actions by Lender.** Borrower and Lender may at any time, and from time to time, without the consent of or notice to Creditor, without incurring liability or responsibility to Creditor and without impairing or releasing any of Lender's rights hereunder: (a) release anyone liable in any manner for the payment or collection of the Senior Indebtedness or any portion thereof; (b) exercise or refrain from exercising any right against Borrower or others (including Creditor); and (c) apply any sums received by Lender, by whomsoever paid and however realized, to the Lender Indebtedness in such manner as Lender shall deem appropriate. Borrower and Lender acknowledge and agree that neither of them may, at any time, (x) alter the terms of the Senior Loan Documents or any other instrument or agreement in any way relating to the Senior Loan or (y) sell, exchange, release or otherwise deal with all or any part of any property at any time securing payment of the Senior Indebtedness, without first obtaining the prior written consent of Creditor; provided, however, that Lender, at any time, and from time to time, without the consent of or notice to Creditor, without incurring liability or responsibility to Creditor, and without impairing or releasing any of Lender's rights hereunder, may sell, exchange, release or otherwise deal with all or any part of any property at any time securing payment of the Senior Indebtedness pursuant to its exercise of any right against Borrower or others.

6. **Actions Regarding Subordinated Debt.** Lender expressly acknowledges and agrees that Creditor is permitted at any time to take any action (a) to assert, to collect, or to enforce the Creditor Indebtedness against Borrower and/or any other party liable for same (including any Common Guarantor) or (b) to assert, to collect, or to enforce any security interest in or lien on any of the Lender Collateral.

7. **Miscellaneous Provisions.**

(a) Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, or if sent by reputable overnight courier (effective the day of receipt of the notice):

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If to Creditor: Estate of Alyce Przybylo
Ted M. Przybylo, Executor
2317 Fir Street
Glenview, IL 60025

With a copy to: Joseph S. Capitani
Madden, Jiganti, Moore & Sinars LLP
190 S. LaSalle Street, Suite 1700
Chicago, IL 60603

If to Borrower: 6 Milwaukee Corp
6839 N. MILWAUKEE AVE.
NILES IL - 60714

With a copy to: Kolpak and Lerner
6767 N. Milwaukee Ave., Suite 202
Niles, IL 60714

If to Borrower's Guarantors:

Althea Kroger
2 Sunset Cliff
Burlington, VT 05401

Vivian Przybylo-Kolpak
6615 N. Ramona
Lincolnwood, IL 60712

Andrew Przybylo
8700 Bruce Drive
Niles, IL 60714

Alice Pawlicki
6625 N. Nokomis
Lincolnwood, IL 60712

Victoria Pindras
1428 Blackthorn Drive
Glenview, IL 60025

Ted M. Przybylo
2317 Fir Street
Glenview, IL 60025

If to Lender: Plaza Bank of Norridge
7460 W. Irving Park Road
Norridge, IL 60706

With a copy to: Allen C. Wesolowski
161 N. Clark Street, Suite 550
Chicago, IL 60601

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(b) **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

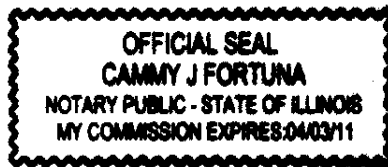
IN WITNESS WHEREOF, Lender, Creditor, Borrower and Borrower's Guarantors have executed this Agreement as of the date first written above.

CREDITOR:

x Ted M. Przybylo
Ted M. Przybylo, as Executor of the Estate of Aryca Przybylo

Subscribed and sworn to before me this 18 day of December 2007

Cammy J. Fortuna
Notary Public

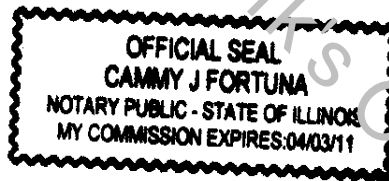


BORROWER:

Timothy P. Karpals
6 Milwaukee Corp., an Illinois corporation
by its President

Subscribed and sworn to before me this 18 day of December 2007

Cammy J. Fortuna
Notary Public



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BORROWER'S GUARANTORS:

Althea Kroger
Althea Kroger

[Signature]
Andrew Przybylo

[Signature]
Victoria Pindras
(Not to exceed \$50,000)

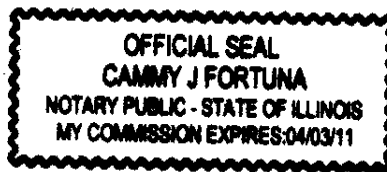
[Signature]
Vivian Przybylo-Kolpak

[Signature]
Alice Pawlicki

[Signature]
Ted M. Przybylo

Subscribed and sworn to before me
this 18 day of December 2007

[Signature]
Notary Public



LENDER:

Plaza Bank of Norridge

By: [Signature]
Its: President

Subscribed and sworn to before me
this 18 day of December 2007

[Signature]
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

LOT 1 IN PRZYBYLO'S EAGLE POINT PLAT OF RESUBDIVISION, BEING A RESUBDIVISION OF LOTS 1, 2 AND 3 IN PRZYBYLO'S EAGLE POINT SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST FRACTIONAL ½ OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 6, 2003 AS DOCUMENT NUMBER 0030021665, IN COOK COUNTY, ILLINOIS

P.I.N.: 10-31-213-064-0000

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