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86598146

SUBORDINATION AGREEMENT

Agreement of subordination entered into December 8th, 1986 between JOHN GYANN, STEVE KARANTZIS, FRANK KLOSKI, JOHN KLOSKI and THE BEVERLY BANK, as Trustee Under Trust Agreement dated August 31, 1967, and known as Trust No. 8-1160 (all the aforesaid parties hereinafter jointly referred to as the "Creditors") and FRANK KLOSKI, (hereinafter referred to as the Borrower), to induce HERITAGE BANK OF OAK LAWN (hereinafter referred to as the "Lender") to make a mortgage loan to Borrower.

RECITALS

WHEREAS, the Creditors are all parties under Articles of Agreement for Deed dated August 6, 1981, (hereinafter referred to as the "Articles of Agreement") recorded as a Memorandum of Contract with the Cook County Recorder of Deeds as Document No. 26019482 against the real estate commonly known as 3863 West Columbus Avenue, Chicago, Illinois (hereinafter referred to as the "Property");

WHEREAS, the Borrower is desirous of borrowing the sum of Three Hundred Thousand (\$300,000.00) Dollars from Lender (hereinafter referred to as the "Mortgage Loan") to be secured by the Property;

WHEREAS, Lender is desirous of loaning the above sum of money to Borrower if the Creditors would subordinate their priority lien position on the Property to that of Lender;



HERITAGE BANK OF OAK LAWN
6001 W. 95th
OAK LAWN, ILL 60453

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③ (708-0-L) 51126543

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WHEREAS, the parties hereunder desire to subordinate their priority lien position held on the Property in order to induce Lender to extend the Mortgage Loan to Borrower;

NOW THEREFORE, the parties in consideration of the mutual covenants and conditions herein, agree as follows:

ARTICLE ONE

DEBT TO CREDITOR

The Creditors are all party to the Articles of Agreement wherein the initial principal balance was Four Hundred Twenty Thousand (\$420,000.00) Dollars. A Memorandum of said Articles of Agreement has been recorded against the Property and is a continuing lien against said Property.

ARTICLE TWO

SUBORDINATION

The Creditors who are all the parties to the Articles of Agreement hereby agree to subordinate their priority lien position recorded against the Property to the Mortgage Loan made by Lender to Borrower in the sum of Three Hundred Thousand (\$300,000.00) Dollars, dated December 8, 1986 and recorded December 15, 1986 as Document No. 86598144

ARTICLE THREE

PRIMACY OF LENDER'S CLAIM AS AGAINST CREDITOR

In any insolvency, receivership, bankruptcy, dissolution, liquidation, or reorganization proceeding, or in any other proceeding, whether voluntary or

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involuntary, by or against the Borrower under any bankruptcy or insolvency law or laws relating to the relief of debtors, to compositions, extensions, or readjustment of indebtedness, the Lender's claim against the assets of the Borrower shall be paid in full at the expense of the Creditors before any payment is made to the Creditors whether such payment is in kind or in cash.

ARTICLE FOUR

REFERENCE ON EVIDENCE OF INDEBTEDNESS

The Borrower and the Creditors agree that any existing evidence of indebtedness of the Borrower to the Creditors or any subsequent evidence of any existing or future indebtedness shall contain or be stamped with a statement referring to the existence of this agreement.

ARTICLE FIVE

CONTINUANCE OF AGREEMENT

The agreement and the obligations of the Borrower and the Creditors and the rights and privileges of the Lender hereunder shall continue until payment in full of the Mortgage Loan made by Lender notwithstanding any action or nonaction of the Lender with respect thereto or any collateral therefor or any guarantees thereof.

ARTICLE SIX

BINDING EFFECT

This Agreement shall extend to and bind the respective successors, assigns, and administrators of the parties hereto, and the covenants of the

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Creditor and the Borrower respecting subordination of the claims of the Creditor in favor of the Lender shall extend to, include, and be enforceable by any transferee or endorsee of the Lender of any of its claim or claims.

ARTICLE SEVEN

ACCELERATION

If the Borrower or the Creditors violate any of the provisions of this Agreement, or if any subordinated indebtedness is involuntarily accelerated, the Lender may elect by a notice in writing delivered to the Borrower and the Creditor to cause all indebtedness of the Borrower to the Lender to become immediately due and payable. The obligation of the Borrower and the Creditor hereunder shall continue irrespective of, and the Borrower and the Creditor hereby waive, so far as the law permits, any existing or any future statute of limitations applicable thereto or applicable to the enforcement of indebtedness and liability of the Borrower, and any collateral therefor or guarantees thereof.

IN WITNESS WHEREOF, this Agreement has been executed by the parties the date and year first written above.



JOHN KLOSKI



FRANK KLOSKI



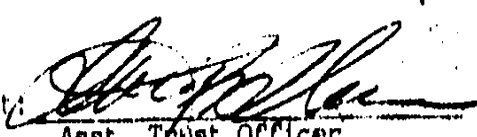
JOHN GYANN



STEVE KARANTZIS

The Beverly Bank, as Trustee Under
Trust No. 8-1160, dated 8/31/67

Attest:



Asst. Trust Officer

By:



Trust Officer

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DEPT. OF RECORDING \$14.85
TRAN 9929 12/15/86 10:10:00
* -86-598146
COOK COUNTY RECORDER



Office
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This document is made by Bayville Bank as Trustee and accepted upon the express agreement of the parties to the same. The liability is assumed by the Trustee because of the nature of the document or of anything therein, and is expressly waived, nor shall it be held upon or in consequence of any of the covenants of the document, either expressed, or implied.