

UNOFFICIAL COPY



BORROWER
BARRY T. OMAHEN
MARY J. OMAHEN
15209 GINGER CREEK LANE
ORLAND PARK, IL 60462
Telephone Number
(708) 349-3013 (312) 368-0500

PERSONAL
PROPERTY
SUBORDINATION
AGREEMENT

CREDITOR	OWNER OF COLLATERAL
ADVANCE BANK, f.s.b. 2320 THORNTON ROAD LANSING, IL 60438 Telephone Number (708) 474-1600	WALTER W. PFAU 15209 GINGER CREEK ORLAND PARK, IL 60462 Telephone Number 92551652

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Creditor and Lender indicated above hereby resolve the priority of their debts and security interests as set forth below:

1. SUBORDINATION OF INDEBTEDNESS. The payment of any present or future indebtedness of Borrower to Creditor will be postponed and subordinated, and will not be paid in whole or in part, until the payment in full of any present or future indebtedness of Borrower to Lender during the term of this Agreement. In the event that Creditor receives any monies, instruments, or other remittances to be applied against Borrower's obligations to Creditor, Creditor will hold these funds in trust for Lender and immediately endorse or assign (if necessary) and deliver these monies, instruments and other remittances to Lender. Creditor agrees that Lender shall be preferred to Creditor in any assignment for the benefit of Creditor, or any assignment for the benefit of Creditor in any bankruptcy, insolvency, liquidation, or reorganization proceeding commenced by or against Borrower in any federal or state court.

2. SUBORDINATION OF SECURITY INTEREST. Any present or future valid and perfected or unperfected security interest belonging to Lender will be superior to any present or future valid and perfected security interest belonging to the Creditor in the following property and fixtures now or hereafter owned by Owner of Collateral and wherever located (cumulatively "Lender's Collateral"):
LOT 34 IN SPRING CREEK ESTATES SUBDIVISION, BEING A SUBDIVISION IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, IL.
PIN # 27-18-201-001-0000
92551652

3. PRIORITY OF SECURITY INTERESTS. The priority of the security interests belonging to Creditor and Lender in Lender's Collateral will be governed by this Agreement and not by the time or order in which the security interests were created or perfected.

4. WAIVER OF LIMITATIONS. Creditor waives any obligation of Lender to provide Creditor with notice of additional advances or loans, notice of default, notice of acceleration of debt, notice of demand for payment or notice of repossession and the right of Creditor to require Lender to marshal any collateral. In addition, Lender may take or refrain from taking any action (including, but not limited to, making additional advances or loans) with respect to Borrower, any guarantor, or any collateral without notice to or the consent of Creditor and without affecting any of Lender's rights under this Agreement.

5. NON-INTERFERENCE. Creditor will not take any action to enforce any security interest in Lender's Collateral or prevent, hinder or delay Lender from enforcing its security interest in Lender's Collateral during the term of this Agreement. Creditor will execute and deliver to Lender such powers of attorney, assignments or other instruments as the Lender may deem necessary to enable Lender to enforce all claims upon or with respect to the subordination of any present or future indebtedness of Borrower to Creditor described herein.

6. TERMINATION. This Agreement will remain in full force and effect until terminated by Lender despite the commencement of any federal or state bankruptcy, insolvency, receivership, liquidation or reorganization proceeding and will terminate only upon Lender providing Creditor with written notice thereof.

7. EFFECT ON BORROWER AND THIRD PARTIES. This Agreement will not affect the enforceability and priority of Creditor's and Lender's security interests in Lender's Collateral and rights against Borrower, Owner of Collateral or any third party except as set forth herein.

8. REPRESENTATIONS AND WARRANTIES. Creditor represents and warrants to Lender that:
a. Creditor has not assigned any of its rights or interest in Lender's Collateral prior to the execution of this Agreement. Creditor shall not assign or transfer to others any claim that Creditor has or may have in Lender's Collateral while any indebtedness of Borrower to Lender remains unpaid without the express written consent of the Lender;
b. Creditor has obtained all consents and approvals needed to execute and perform its obligations under this Agreement;
c. Creditor's execution and performance of its obligations under this Agreement will not violate any court order, administrative order or ruling, or agreement binding upon Creditor in any manner; and
d. Creditor has conducted an independent investigation of Borrower's business affairs and was not induced to lend money or extend other financial accommodations to Borrower or execute this Agreement by any oral or written representation by Lender except as set forth herein.

9. ASSIGNMENT. Lender shall be entitled to assign some or all of its rights and remedies described in this Agreement upon providing Creditor with written notice thereof.

10. MODIFICATION AND WAIVER. The modification or waiver of any of Creditor's obligations or Lender's rights under this Agreement must be contained in a writing signed by Lender. A waiver on one occasion shall not constitute a waiver on any other occasion.

11. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of Creditor and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.

12. SEVERABILITY. If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

13. BOOKS AND RECORDS. Creditor and Lender shall mark their respective books and records so as to indicate that the payment of any present or future indebtedness of Borrower to Creditor is subordinated to the payment in full of any present or future indebtedness of Borrower to Lender in accordance with the terms of this Agreement. The Creditor shall execute such additional documents or instruments, including but not limited to any financing statements, and take such other action as the Lender may reasonably request to carry out the intent of this Agreement.

14. NOTICE. Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

15. APPLICABLE LAW. This Agreement shall be governed by the laws of the state identified in Lender's address. Creditor consents to the jurisdiction and venue of any court located in the state indicated in Lender's address in the event of any legal proceeding under this Agreement. Creditor and Owner of Collateral waive any right to a jury trial. Creditor or Owner of Collateral may have under applicable law.

16. ATTORNEYS' FEES. The prevailing party will be entitled to collect its attorney's fees, legal expenses, and other costs in the event of any litigation pertaining to this Agreement.

17. DEFINITIONS. All of the words and phrases in the Agreement shall possess the applicable definitions set forth in the Uniform Commercial Code as adopted by the state indicated in Lender's address unless specifically defined otherwise in this Agreement.

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18. JOINT AND SEVERAL. If there is more than one Creditor, then obligations shall be joint and several under this Agreement. Wherever the context requires, the singular form of any word shall include the plural.

19. INTEGRATION. This Agreement and any related documents represent the complete and integrated understanding between Creditor and Lender pertaining to the terms and conditions of this Agreement.

20. ADDITIONAL TERMS:

Creditor acknowledges that Creditor has read, understands, and agrees to the terms and conditions of this Agreement.

DATED:

CREDITOR:

CREDITOR:

BY: _____

BY: _____

TITLE: _____

TITLE: _____

LENDER:

CREDITOR:

BY: _____

BY: _____

TITLE: _____

TITLE: _____

Acknowledged and agreed to by Owner of Collateral on this 3rd day of March, 1992.

OWNER OF COLLATERAL:

OWNER OF COLLATERAL:

BY: Walter W. Pfauf

BY: _____

TITLE: WALTER W. PFAUF

TITLE: _____

OWNER OF COLLATERAL:



OWNER OF COLLATERAL:

BY: _____

BY: _____

TITLE: _____

TITLE: _____

Susan R. Pagliaro

92551652
Office

DEPT-01 RECORDING \$23.50
148888 TRAN 1365 07/28/92 09:26:00
\$4297 # E * -92-551652
COOK COUNTY RECORDER