

SUBORDINATION AGREEMENT

This Subordination Agreement is entered into as of the 25th day of May, 1993 by and between Old Kent Bank, an Illinois state banking association ("Old Kent"), and Ms. Ruth Sprenger ("Sprenger").

WHEREAS, Frederick G. Tuttle and James J. Zalewski ("Tuttle and Zalewski") are indebted to Sprenger pursuant to the terms of a certain promissory note ("Sprenger Note") in the original principal amount of \$25,000, which indebtedness is secured by a certain Trust Deed ("Sprenger Trust Deed") dated October 10, 1988 executed by Chicago Title and Trust Company not personally but as Trustee under a certain Trust Agreement dated December 31, 1986 and known as Trust Number 1088914. The Sprenger Trust Deed grants to Sprenger a "Lien" on the "Collateral" (as such terms are defined below);

WHEREAS, Tuttle and Zalewski are currently indebted to Old Kent in an amount equal to or greater than \$420,732.24 and have requested Old Kent to make further loans and advances to them in an amount equal to or greater than \$ 673,812.27; said additional loans and advances shall, among other things, permit Tuttle and Zalewski to refinance senior indebtedness encumbering the Collateral;

WHEREAS, Old Kent has required that Sprenger execute this Subordination Agreement as a condition to Old Kent making such new loans and advances.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

SECTION 1. Definitions. As used in this Subordination Agreement the following terms have the following meanings (terms defined in the singular have the same meaning when used in the plural and vice versa).

"Collateral" means that certain real property commonly known as 1617-1619 N. Hoyne, Chicago, Illinois 60647 and more particularly described in Exhibit A attached hereto and incorporated herein and all personal property affixed thereto.

"Creditors" means Old Kent and/or Sprenger.

"Lien" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge, or encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any

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financing statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing).

"Obligations" means collectively the Old Kent Obligations and the Sprenger Obligations.

"Old Kent Obligations" means all obligations and indebtedness of Tuttle and Zalewski and or any person or entity controlled by them to Old Kent.

"Old Kent Security Documents" means all security agreements, mortgages, deeds of trust or other documents securing the Old Kent Obligations.

"Sprenger Obligations" means all obligations and liabilities of Tuttle and Zalewski or any entity or person controlled by them under the Sprenger Note to Sprenger.

"Sprenger Security Documents" means all security agreements, mortgages, deeds of trust or other documents, including, without limitation, the Sprenger Deed of Trust, securing the Sprenger Obligations.

Section 2. Priority of Security Interests. Each of the parties hereto agree that, until Old Kent releases its interests in the Collateral, the Liens granted to each of Old Kent and Sprenger pursuant to each of the agreements referred to below on the Collateral of Tuttle and Zalewski or any person or entity controlled by them shall be in the order specified below such that a Lien granted under the agreements listed first is senior in priority, operation and effect to the priority, operation and effect of the Lien granted under the agreements listed, second and 9344/3/32

Priority of Creditor's Lien.

- First: Old Kent Security Documents
- Second: Sprenger Security Documents

The priorities specified herein are applicable irrespective of any statement in any security agreement, mortgage, deed of trust or any other agreement to the contrary, the time or order or method of attachment or perfection of Liens or the time or order of filing of financing statements or mortgages or deeds of trust or the giving or failure to give notice of the acquisition or expected acquisition of purchase money or other security interests.

Each of the parties hereto agree that the Liens of Old Kent in the Collateral be and the same is and hereby remains senior in priority, operation and effect to the priority, operation and effect of the Liens of Sprenger in the Collateral notwithstanding the perfection, order of perfection or failure to perfect any such Lien or the filing or recording, or failure to file or record any instrument or other document in any filing or recording office in any jurisdiction.

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Section 3. Division of Proceeds. Unless Old Kent has released its Lien on the Collateral the proceeds of any sale, disposition or other realization by either Old Kent or Sprenger upon the Collateral (or any portion thereof) shall be distributed in the following order of priorities:

First, to Old Kent in an amount equal to all costs and expenses incurred by Old Kent in connection with or incident to the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral;

Second, to the payment or prepayment of all the Old Kent Obligations;

Third, to the payment or prepayment of all the Sprenger Obligations; and

Fourth, to Tuttle and Zalewski or their successors or assigns or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds.

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Subordination Agreement as of the date first above written.

Ruth Sprenger
Ruth Sprenger

OLD KENT BANK

By: *Thomas H. Herron*
Name: *Thomas H. Herron*
Title: *Assistant Vice President*

BOX 333

M.L. To: Old Kent Bank
233 S. Wacker Dr.
Chicago, Ill. 6.

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STATE OF Wisconsin)
COUNTY OF Kenosha) SS

The foregoing Subordination Agreement was executed and acknowledged before me this 25 day of May, 1993, by Ruth Sprenger, personally known to me to be such person as here free and voluntary act for the purposes set forth therein.

(SEAL)

Laura Hinzolis
Notary Public

My commission expires: 10-30-94

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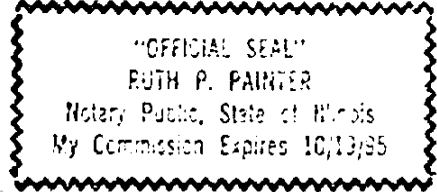
STATE OF ILLINOIS)
 On Page) SS
COUNTY OF ~~COOK~~)

The foregoing Subordination Agreement was executed and acknowledged before me this 25 day of May, 1993, by THOMAS H. HERRON and _____ personally known to me to be the Asst. Vice Pres. and _____ of Old Kent Bank, an Illinois banking association, as the free and voluntary act of such banking association for the purposes set forth therein.

(SEAL)

Ruth P. Painter
Notary Public

My commission expires: _____



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EXHIBIT A

Parcel 1:

The South 32.25 feet of Lots 4, 5, and 6 and the South 3.25 feet of Lot 7 (except that part lying east of a line parallel with the east line of said lot 7 and which passes through a point in the west line of Lot 7, 3 feet from the North West corner of said Lot 7), all in the subdivision of lots 56, 57, 58 and 59 in Johnson's Addition to Chicago, a subdivision of lots 3, 5 and 6 in the Assessor's division of unsubdivided lands in Section 31, Township 40 North, Range 14 East of the third principal meridian, East of Leavitt Street and of lots 5, 7, 8 and 9 in Horton's Subdivision of the 13 1/3 rods west of and adjoining the East 29 rods of the South 12 Rods of the South West 1/4 of Section 31, aforesaid, in Cook County, Illinois.

Parcel 2:

Lots 4, 5, 6 and 7 (except that part of said lots condemned for right of way for the Metropolitan West Side Elevated Railroad) in the Subdivision of Lots 56, 57, 58 and 59 in Johnson's Addition to Chicago, a subdivision of Lots 3, 5, and 6 in Assessor's Subdivision of unsubdivided lands in Section 31, Township 40 North, Range 14, East of the Third Principal Meridian, East of Leavitt Street and of Lots 6, 7, 8 and 9 in Horton's Subdivision of the 13 1/3 rods west of and adjoining the East 29 rods of the South 12 rods of the South West 1/4 of Section 31, aforesaid, in Cook County Illinois.

Permanent Tax Numbers: 14-31-333-001-0000 (Parcel 1)
and 14-31-333-025-0000 (Parcel 2)

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