



SUBORDINATION AND STANDBY AGREEMENT

94090789

November 8, 1993

This Subordination and Standby Agreement entered into by and between Presidential Mortgage Company Its Successors and/or Assignors (the "DEBTOR") and Avenue Bank of Oak Park (the "CREDITOR") whose address is 104 N. Oak Park Ave., Oak Park, IL 60301

23-ER

In order to induce BANK, from time to time, to make loans, advances and other direct or indirect loans and accounts (the "SENIOR DEBT") to or for the benefit of Jack Paris and Lisa Paris ("DEBTOR"), CREDITOR (and its heirs, assigns, jointly and severally) and BANK agree as follows:

7465033

Successor of 3073093

94090789

COOK COUNTY, ILLINOIS FILED FOR RECORD

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- 1. There is now owing CREDITOR by DEBTOR the sum of one hundred thousand Dollars (\$100,000.00) such amount and all interest, if any, now or hereafter owing thereon, together with any other indebtedness or obligations of DEBTOR to CREDITOR, whether direct or indirect, absolute or contingent, and whether now existing or hereafter created, are herein called the "SUBORDINATED DEBT"
2. CREDITOR agrees to subordinate and does hereby subordinate the SUBORDINATED DEBT to the SENIOR DEBT in that the SENIOR DEBT is secured by real estate, or DEBTOR has granted, or in the future may grant, to CREDITOR a security interest, lien or encumbrance (the "CREDITOR LIEN") or upon any or all of DEBTOR'S assets (the "CREDITOR COLLATERAL") CREDITOR hereby agrees to subordinate and does hereby subordinate the (CREDITOR) LIEN to the SENIOR DEBT and to the CREDITOR COLLATERAL in the same and security interests (the "SENIOR DEBT") hereinafter granted to BANK, to substantially all of any part of the assets of DEBTOR, whether now existing or hereafter acquired (the "BANK COLLATERAL")
3. CREDITOR agrees not to ask, demand, negotiate, sue for, take or receive all or any part of the SUBORDINATED DEBT unless and until any and all SENIOR DEBT, now existing or hereafter arising, shall have been paid in full. If CREDITOR shall receive payment of any part of the SENIOR DEBT, CREDITOR shall hold such funds in trust for the benefit of BANK and shall immediately thereafter remit such funds to BANK, as directed as may be required by BANK.
4. So long as any of DEBTOR'S DEBT, whether now existing or hereafter incurred, remains outstanding, CREDITOR agrees that it will not endeavor to apply its security interest in the CREDITOR COLLATERAL, take possession of any of such assets, and any indication of other proceedings in any of DEBTOR'S assets, or take any other action which might violate with the SENIOR DEBT or the enforcement by BANK of the SENIOR DEBT, or such term and such manner as BANK, in its sole and absolute discretion, shall determine, unless and until BANK has advised CREDITOR in writing that DEBTOR has satisfied in full all SENIOR DEBT and any and all other obligations to BANK.
5. If DEBTOR shall fail to pay any of the SENIOR DEBT when due or declared due under the terms of any agreement, document or instrument hereinafter, now or hereafter executed by DEBTOR and delivered to BANK, BANK may, in its sole and absolute discretion, and in its option, enforce its security interest in DEBTOR'S assets or any part thereof. BANK shall so notify CREDITOR in writing and shall immediately proceed to dispose of such assets or any part thereof pursuant to the Illinois Uniform Commercial Code or in any other reasonable manner required by DEBTOR and BANK. The proceeds from any disposition of such assets shall be applied, first, to the reasonable expenses of BANK, if any, of retaining, holding, preparing for sale and taking such assets or any part thereof, including without limitation, reasonable attorneys' fees and costs, to the payment of all unpaid principal, interest, commitment fees, if any, or indebtedness of DEBTOR to BANK, however evidenced, owing and unpaid to BANK as of the date of disposition of the proceeds of such assets. In such order of application as BANK may from time to time elect, with the net proceeds, if any, to be available for CREDITOR.
6. The subordination, agreements, covenants and conditions set forth in this Agreement are a continuing agreement of subordination and BANK may continue, without notice to CREDITOR, to extend credit or other accounts, obligations or benefits and loan monies to or for the benefit of DEBTOR on the faith hereof until the Agreement shall be terminated. CREDITOR further acknowledges and agrees that DEBTOR may from time to time repay the outstanding principal of the SENIOR DEBT and that DEBTOR may thereafter incur additional indebtedness, and that this Agreement shall continue in full force and effect notwithstanding such repayment and borrowing. This Agreement shall remain in full force and effect so long as any SENIOR DEBT shall be outstanding whether now existing or hereafter incurred, or any agreement relating thereto shall be in force. CREDITOR hereby further waives notice of the foregoing events or occurrences, presentment, demand, notice of default, non payment or partial payment and protest, notice of protest and all other notices or formalities to which CREDITOR might otherwise be entitled.
7. The subordination, agreements and provisions specified in this Agreement are applicable irrespective of the time or order of attachment or perfection of the security interest or other interests referred to herein, the time or order of filing of notices, statements, the acquisition of purchase money or other security interests, or the time of giving or failing to give notice of the acquisition or expected acquisition of purchase money or other security interests.
8. BANK shall not be responsible for paying the BANK COLLATERAL or for protecting the value thereof except to the extent of negligence or willful misconduct in connection with the sale or payment of BANK COLLATERAL in its actual possession. BANK shall have no responsibility or obligation to take any action with respect to any SENIOR DEBT, whether now existing or hereafter incurred, or the BANK COLLATERAL or any portion thereof.
9. CREDITOR agrees that upon any distribution of the assets or readjustment of the indebtedness of DEBTOR whether by renunciation, liquidation, cessation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding involving the liquidation of all or any of the indebtedness hereby subordinated, or the application of the assets of DEBTOR to the payment or liquidation thereof, BANK shall be entitled to receive payment in full of all outstanding SENIOR DEBT whether now existing or hereafter incurred, prior to the payment of any part of the SUBORDINATED DEBT, and in order to enable BANK to enforce its rights hereunder in any such action or proceeding, BANK is hereby irrevocably authorized and empowered in its discretion to make and present for and on account of CREDITOR such proofs of claims as BANK may deem expedient or proper and to vote such proofs of claims in any such proceeding and to receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued to apply same on account of any outstanding SENIOR DEBT, whether now existing or hereafter incurred. CREDITOR further agrees to execute and deliver to BANK such assignments or other instruments as may be required by BANK in order to enable BANK to enforce any and all such claims and to collect any and all dividends or other payments or disbursements which may be made at any time on account of all or any of the SUBORDINATED DEBT.
10. CREDITOR further agrees that the occurrence of any of the following shall not affect or suspend the relative priorities of CREDITOR'S and BANK'S security interests in the COLLATERAL, as established herein: (i) action by BANK to extend the time of payment of any SENIOR DEBT, whether now existing or hereafter incurred or any action by BANK to otherwise amend, modify, waive or renew all or any existing or future indebtedness or obligations of DEBTOR to BANK or any agreement relating thereto, (ii) any action by BANK to take or receive additional collateral for any SENIOR DEBT, whether now existing or hereafter incurred, or for any agreement relating thereto, or for any action by BANK to release, waive, compromise, settle, subordinate or modify, with or without consideration, any of the BANK COLLATERAL or any other collateral which may be held for the SENIOR DEBT, whether now existing or hereafter incurred, of any kind, and in reference thereto, to make and enter into any such agreement or agreements as BANK may deem proper or desirable in evidence of such action, all without notice, nor further assent from CREDITOR and without in any manner impeding or affecting this Agreement or any of BANK'S rights hereunder.
11. CREDITOR represents and warrants to BANK that CREDITOR has not transferred or assigned the SUBORDINATED DEBT or the CREDITOR LIEN in the CREDITOR COLLATERAL or any interest therein, to any person or other entity, and that CREDITOR hereby also agrees not to assign or transfer at any time while this Agreement remains in effect any rights, claims or interests of any kind in any of the SUBORDINATED DEBT or the CREDITOR LIEN in the CREDITOR COLLATERAL, without (i) the written consent of BANK and (ii) making such necessary expressly subject to this Agreement in form and substance satisfactory to BANK.
12. Notwithstanding anything in this Agreement to the contrary, and provided that DEBTOR shall not be in default with respect to any of its obligations and obligations to BANK, including, without limitation, payment of SENIOR DEBT, CREDITOR may be paid principal and/or interest from time to time on the SUBORDINATED DEBT, but only upon the prior written consent of the BANK.

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SUBORDINATION AND STANDBY AGREEMENT

13. Any notices or other communications provided for hereunder shall be deemed to have been validly given if delivered personally or sent by United States certified mail, return receipt requested, with proper postage prepaid, to the respective addressee set forth in the beginning of this Agreement or at such other address as either party hereto may designate for itself in writing to the other.
14. This Agreement shall continue in full force and effect until the SENIOR DEBT is fully paid, performed and discharged, notwithstanding the fact that the SENIOR DEBT or BANK LIENS may be waived (for any reason) and/or subordinated upon the insolvency, bankruptcy or reorganization of DEBTOR, or otherwise. This Agreement shall be binding upon, and made to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.
15. This Agreement shall be construed under, and be governed by, the laws of the State of Illinois. If this Agreement is signed by more than one person or entity as CREDITOR, the word "CREDITOR" shall mean each and all of those persons or entities, jointly and severally. Every undertaking, agreement or liability hereunder shall be the joint and several obligation of each CREDITOR.
16. This Agreement embodies the entire agreement and understanding between CREDITOR and BANK relating to the subordination and other agreements by CREDITOR as set forth herein and supersedes all prior agreements and understandings between CREDITOR and BANK relating to the subject matter hereof. All of the understandings, agreements, representations, and warranties contained herein are solely for the benefit of BANK and CREDITOR, and there are no other parties who are intended to be benefited in any way by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date hereinafter first set forth:

Avenue Bank of Oak Park
INCORPORATED IN ILLINOIS

By: [Signature]
 Title: Vice President
Presidential Mortgage Company
(BANK)

Or _____
 Title _____

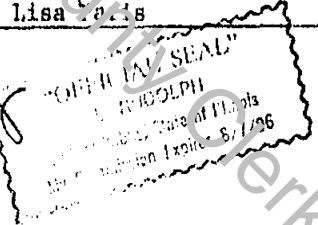
The undersigned hereby acknowledge receipt of a copy of the foregoing Subordination and Standby Agreement and agree not to pay any indebtedness subordinated hereby except as therein provided. In the event of any breach of the provisions of the foregoing Agreement, the undersigned agrees that, in addition to any other rights and remedies BANK may have, all obligations and liabilities of the undersigned to BANK shall, without notice or demand, become immediately due and payable unless BANK shall otherwise elect.

(DEBTOR)

X [Signature]
Jack Paris

X [Signature]
Lisa Paris

Subscribed and sworn before
as this 17 day of January
1994



[Signature]
 Notary Public

Legal Description: PARCEL 1: LOT 6 IN BLOCK "E" IN THE COURTS OF RUSSETWOOD UNIT 4, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AS DOCUMENT 25486664 AND AS CREATED BY TRUSTEE'S DEED DATED SEPTEMBER 14, 1987 RECORDED OCTOBER 2, 1987 AS DOCUMENT 87537080 IN COOK COUNTY, ILLINOIS

Tax Identification Number: 03-21-213-025-0000

Address of Property: 2414 Brockton Ct., Arlington Hts, IL 60004

Prepared by: Patricia Wojcik, Loan Administrator, Avenue Bank of Oak Park, 104 N. Oak Park Ave., Oak Park, IL 60301

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