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RECORDATION REQUESTED BY:

EVANSTON BANK
603 MAIN STREET
EVANSTON, IL 60202

95518272

WHEN RECORDED MAIL TO:

EVANSTON BANK
603 MAIN STREET
EVANSTON, IL 60202

DEPT-01 RECORDING \$33.00
T#0012 TRAN 5671 08/07/95 09:28:00
48232 JH *-95-518272
COOK COUNTY RECORDER

FOR RECORDER'S USE ONLY

SUBORDINATION AGREEMENT - MORTGAGE

33.00

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT dated August 1, 1995 is entered into among James M. Flanagan ("Borrower"), Devon Bank ("Mortgages") and EVANSTON BANK ("Lender").

SUBORDINATED INDEBTEDNESS. Mortgagee has extended the following described financial accommodations (the "Subordinated Indebtedness") to First National Bank of Northbrook a/t/u/a #453 and #454 both dated 2/15/89 AND American National Bank & Trust Co., as successor trustee u/t/a #5253 dated 5/1/68 ("Mortgagor"):

A Note in the original amount of \$200,000 in favor of Devon Bank..

SUBORDINATED MORTGAGE. The Subordinated Indebtedness is secured by a mortgage dated 05-01-1991 from Mortgagor to Mortgagee (the "Subordinated Mortgage") recorded in Cook County, State of Illinois as follows:

recorded on May 1, 1991 as Document No 91203323, together with Extension Agreements recorded as Document Nos. 91504604, 92146387, 92309712, 92472905, 92567450 and Subordination Agreement dated 94102180, and also including an Assignment of Rents dated May 1, 1991 and recorded as Document No. 91203325.

REAL PROPERTY DESCRIPTION. The Subordinated Mortgage covers the following described real property (the "Real Property") located in Cook County, State of Illinois:

PARCEL 1: Lot 5 (except that part thereof lying North of a line beginning on the West line of said Lot, 5-5/8 inches South of that North line of said Lot, and running thence Northeasterly to a point on the East line of said Lot, 3-3/8 inches Southerly from the Northeast corner of said Lot, also excepting therefrom the Northerly 4 feet of the Easterly 87 feet of said Lot) in Block 11 in White's Addition to Evanston, in the North 1/2 of the Southeast 1/4 of Section 19, Township 41 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois; **PARCEL 2:** The Southeasterly 1/2 of Lot 4 in Block 2 of Gibbs, Ladd and Georges's Addition to Evanston, in Section 19, Township 41 North, Range 14, East of the Third Principal Meridian, all in Cook County, Illinois; **PARCEL 3:** Lots 9 and 10 in Block 26 in Evanston in the Southeast 1/4 of Section 18, Township 41 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

The Real Property or its address is commonly known as 827-829, 913-1/2 & 1515 Chicago Avenue (respectively), Evanston, IL 60202. The Real Property tax identification number is 11-19-401-022-0000 & 11-19-220-006-0000 & 11-18-408-002-0000 (respectively).

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower, who may or may not be the same person as Mortgagor, and Mortgagee each want Lender to provide financial accommodations to Borrower (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other

BOX 333-CTI

75-65-3150L AR 5/7/95

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(Continued)

compromises regarding all or part of Borrower's present indebtedness to Lender, or (c) other benefits to Borrower. Now, therefore, Borrower and Lender, and Mortgagee each represent and acknowledge to Lender that Mortgagee will benefit as a result of these financial accommodations from Lender to Borrower, and Mortgagee acknowledges receipt of valuable consideration for entering into this Agreement.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage or other lien on the Real Property ("Lender's Lien") be and remain superior to the Subordinated Mortgage.

NOW THEREFORE THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION. The Subordinated Mortgage and the Subordinated Indebtedness secured thereby is hereby subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all times, prior and superior to the lien of the Subordinated Mortgage. Mortgagee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Mortgagee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

MORTGAGEE'S REPRESENTATIONS AND WARRANTIES. Mortgagee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Mortgagee which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Borrower's request and not at the request of Lender; (c) Lender has made no representation to Mortgagee as to the creditworthiness of Borrower; and (d) Mortgagee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Mortgagee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Mortgagee's risks under this Agreement, and Mortgagee further agrees that Lender shall have no obligation to disclose to Mortgagee information or material acquired by Lender in the course of its relationship with Borrower.

MORTGAGEE'S WAIVERS. Mortgagee waives any right to require Lender: (a) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort to payment or to proceed directly or at once against any person, including Borrower; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Mortgagee, (a) make one or more additional secured or unsecured loans to Borrower; (b) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Indebtedness also shall be a default under the terms of the Superior Indebtedness to Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Mortgagee and Borrower agree upon Lender's request to submit to the jurisdiction of the courts of COOK County, State of Illinois. Lender, Mortgagee and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender, Mortgagee or Borrower against the other. Subject to the provisions on arbitration, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Borrower or to Mortgagee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Borrower, and Mortgagee.

Arbitration. Lender and Mortgagee and Borrower agree that all disputes, claims and controversies between them, whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the

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American Arbitration Association, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Mortgagee and Borrower agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Mortgagee and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Mortgagee and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Mortgagee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Mortgagee, shall constitute a waiver of any of Lender's rights or of any of Mortgagee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

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NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION AGREEMENT - MORTGAGE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

X

James M. Flanagan

MORTGAGEE:

Devon Bank

By _____

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SUBORDINATION AGREEMENT - MORTGAGE (Continued)

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LENDER:

EVANSTON BANK

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois)
) ss
COUNTY OF Cook)

On this day before me, the undersigned Notary Public, personally appeared **James M. Flanagan**, to me known to be the individual described in and who executed the Subordination Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of August, 1995.

By Peggy Schatz Residing at Cook County IL

Notary Public in and for the State of Illinois

My commission expires 2-19-99

OFFICIAL SEAL
Peggy Schatz
Notary Public - Illinois
My Comm. Expires 2/19/99

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CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 19 _____, before me, the undersigned Notary Public, personally appeared _____ of Devon Bank, and known to me to be authorized agents of the corporation that executed the Subordination Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By _____ Residing at _____

Notary Public in and for the State of _____

My commission expires _____

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LENDER ACKNOWLEDGMENT

STATE OF Illinois)

) ss

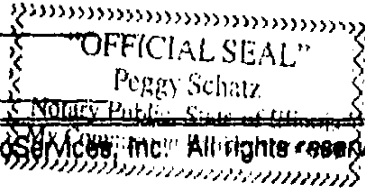
COUNTY OF Cook)

On this 1st day of August, 19 95, before me, the undersigned Notary Public, personally appeared William Brannin and known to me to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Peggy Schatz Residing at Cook County IL

Notary Public in and for the State of Illinois

My commission expires 2-10-99



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American Arbitration Association, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Mortgagor and Borrower agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Mortgagor and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Mortgagor and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

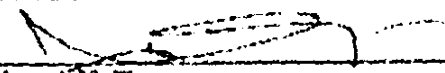
Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Mortgagor herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Mortgagor, shall constitute a waiver of any of Lender's rights or of any of Mortgagor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

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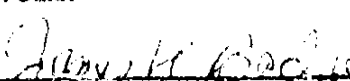
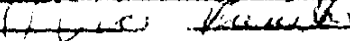
EACH PARTY TO THIS SUBORDINATION AGREEMENT - MORTGAGE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

X 
James M. Flanagan

MORTGAGEE:

Devon Bank

By 


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LENDER:
EVANSTON BANK

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois)
) ss
COUNTY OF Cook)

On this day before me, the undersigned Notary Public, personally appeared James M. Flanagan, to me known to be the individual described in and who executed the Subordination Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of August, 1995.

By Peggy Schatz Residing at Cook County, IL

Notary Public in and for the State of Illinois

My commission expires 2-19-99

~~~~~  
"OFFICIAL SEAL"  
Peggy Schatz  
Notary Public, State of Illinois  
Commission Expires 02/19/99  
~~~~~

CORPORATE ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 2 day of AUGUST, 1995, before me, the undersigned Notary Public, personally appeared JAMES K BARBER of Devon Bank, and known to me to be authorized agents of the corporation that executed the Subordination Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By Edward R Graf Residing at _____

Notary Public in and for the State of _____

My commission expires _____

~~~~~  
"OFFICIAL SEAL"  
EDWARD R. GRAF  
Notary Public, State of Illinois  
My Commission Expires 12-19-95  
~~~~~

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