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SC341405 ^{call} SUBORDINATION AGREEMENT

03/25/97

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AGREEMENT OF SUBORDINATION made March 11, 1997, between BANK OF LINCOLNWOOD (the "Creditor") and Orville McElfresh & Jayne E. McElfresh, his wife, (collectively the "Borrower"), to induce First Chicago NBD Mortgage Company (the "Bank") to make a certain mortgage loan, in the amount of \$336,000.00. In consideration of such loan by the Bank to the Borrower, Borrower and Creditor hereby agree with Bank as follows:

1. Debt to Creditor. The Borrower is indebted to the Creditor at this time in the sum of \$95,384.07, plus accrued and unpaid interest, as evidenced by that certain Installment Note dated February 14, 1994 in the amount of \$100,000.00, plus accrued and unpaid interest, secured by a Mortgage of even date registered with the Recorder of Deeds of Cook County, Illinois on March 26, 1994 as Document Number 94276622 conveying certain real estate in Cook County described as follows:

Lot 1 in Muirfield of Inverness Properties of Arthur T. McIntosh and Company Unit No. 1 being a subdivision in Section 7 & 8, Township 42 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded October 26, 1973 as Document 22525451, in Cook County, Illinois.

Commonly known as: 1075 Kirkwood Drive, Inverness, IL
Tax I.D.#: 02-08-310-001

2. Subordination. The Creditor and the Borrower hereby subordinate all claims now or hereafter owing to the Creditor by the Borrower to all claims of the Bank with respect to that certain parcel of real estate located in the Village of Inverness and County of Cook, legally described above.

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3. Primacy of Bank's claim as against Creditor. In any insolvency, nature of a mortgage receivership, bankruptcy, dissolution, liquidation, or reorganization proceeding, or in any other proceeding, whether voluntary or 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 or indebtedness, the Bank's claim against the assets of the Borrower shall be paid in full before any payment is made to the Creditor, inasmuch as said claim relates to above described indebtedness and security.

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4. Continuation of agreement. The agreement and the obligations of the Borrower and the Creditor and the rights and privileges of the Bank hereunder shall continue until payment in full of all claims of the Bank notwithstanding any action or nonaction of the Bank with respect thereto or any collateral therefor or any guarantees thereof.

5. Waiver. The Bank shall have uncontrolled power and discretion, without notice to the creditor, to deal in any manner with any indebtedness, interest, costs and expenses payable by or liabilities of the Borrower to the Bank and any security and guarantees therefor included, but not by way of limitation, release, surrender, extension, renewal, acceleration, compromise or substitution.

6. Binding effect. This Agreement shall extend to and bind the respective successors, assigns, and administrators of the parties hereto. The covenants of the Creditor and Borrower respecting subordination of the claims of the Creditor in favor of the Bank shall extend to, include, and be enforceable by any transferee or endorsee of the Bank of any of its claims.

7. Acceleration. If the Borrower or the Creditor violates any provision of this Agreement, or if any subordinated indebtedness is involuntarily accelerated, the Bank may elect by a notice in writing delivered to the Borrower and the Creditor to cause all indebtedness of the Borrower to the Bank to become immediately due and payable.

8. Entire Agreement. This Agreement supercedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

9. Notices. All notices or other documents under this Agreement shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

10. Non-Waiver. No delay or failure by a party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

11. Headings. Headings in this Agreement are for convenience only, and shall not be used to interpret or construe its provisions.

12. Governing law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES THE DAY AND YEAR FIRST ABOVE WRITTEN.

BORROWER:

Orville H. McElfresh
Orville H. McElfresh

Jayne E. McElfresh
Jayne E. McElfresh

CREDITOR:

BANK OF LINCOLNWOOD

James E. Borge
James E. Borge
Executive Vice President

ATTEST:

Patricia K. Pelz
Patricia K. Pelz
Senior Vice President & Cashier

This instrument prepared by James Borge
& mail to
Bank of Deerfield
745 Deerfield Rd.
Deerfield IL 60015

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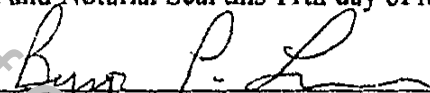
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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Orville H. McElfresh & Jayne E. McElfresh, his wife, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that they subscribed the foregoing instrument as their own free and voluntary act, for the uses and purposes herein set forth.

Given under my hand and Notarial Seal this 11th day of March, 1997.



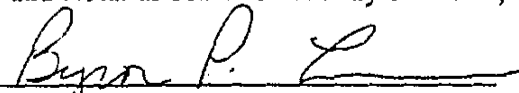
Notary Public
OFFICIAL SEAL
BYRON P. LEVAN
NOTARY PUBLIC, STATE OF ILLINOIS
Commission Expires May 1, 1998

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

97202363

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that James E. Berger, Executive Vice President and Patricia K. Pelz, Senior Vice President & Cashier personally known to me to be the same Executive Vice President & Senior Vice President & Cashier whose name are subscribed to the foregoing instrument appeared before me this day in person and acknowledged to me that they subscribed to the foregoing instrument as their own free and voluntary act, for the uses and purposes herein set forth.

GIVEN under my hand and Notarial Seal this 11th day of March, 1997.



NOTARY PUBLIC
OFFICIAL SEAL
BYRON P. LEVAN
NOTARY PUBLIC, STATE OF ILLINOIS
Commission Expires May 1, 1998

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