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SUBORDINATION AGREEMENT

WHEREAS, American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated July 27, 1988 and known as Trust No. 106094-02 (hereinafter, together with its successors and assigns, called "Borrower"), is now indebted or is about to become indebted to the undersigned in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00) and may from time to time hereafter become indebted to the undersigned in further amounts, and Borrower has requested, and may from time to time hereafter request, Pioneer Bank and Trust Company, an Illinois corporation (hereinafter, together with its successors and assigns, called "Bank") to make or agree to make loans, advances or other financial accommodations to Borrower; and

NOW, THEREFORE, to induce the Bank, from time to time, at its option, to make or agree to make loans, advances or other financial accommodations (including, without limitation, renewals or extensions of any loans or advances heretofore or hereafter made) to Borrower, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees as follows:

1. All liabilities and obligations of Borrower to Bank now and/or from time to time hereafter owing or due and payable by Borrower to Bank, including, without limitation, liabilities and obligations created and/or arising under or pursuant to a Mortgage Note and a Mortgage ("First Note" and "First Mortgage") dated as of September 19, 1988, between Borrower and Bank, up to \$937,500.00 relating to the property legally described in Exhibit A hereto (the "Mortgaged Property"), together with all expenses and other fees and additional principal payable to Bank thereunder, including, without limitation attorneys fees, and all interest amounts payable to Bank in respect of the foregoing, are hereinafter called "Senior Liabilities"; and all liabilities and obligations now and/or from time to time hereafter owing or due and payable by Borrower to the undersigned under Note and Trust Deed dated SEPTEMBER 19, 1988, 1988 evidencing and securing a \$50,000.00 purchase money loan are hereinafter called "Junior Liabilities" and said Note and Trust Deed are sometimes called the "Junior Note" and "Junior Mortgage"; it be no expressly understood and agreed that the term "Senior Liabilities" as used herein, shall include, without limitation, any and all interest accruing on any of the Senior Liabilities after the commencement of any proceedings referred to in paragraph 6 hereof, notwithstanding any provision or rule of law which might restrict the rights of Bank, as against Borrower or anyone else, to collect such interest.

2. To secure payment of the Senior Liabilities and the performance by Borrower of all obligations, covenants, terms and provisions of any agreement, instrument or document now or from time to time hereafter executed by Borrower and delivered to Bank

This document prepared by:

Arthur B. Muir, Esq.  
Katten Muchin & Zavis  
525 West Monroe Street, 16th Floor  
Chicago, Illinois 60606

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**PARCEL 1:** THE SOUTH 1 FOOT OF LOT 1 AND THE NORTH 1 ACRE OF LOT 2 IN THE SUBDIVISION OF LOT 8 BEING IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 27, OF RUGEN'S SUBDIVISION OF PARTS OF SECTIONS 26, 27 and 34, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:** THE SOUTH 1.0 ACRE OF THE NORTH 2.0 ACRES OF LOT 2 IN THE SUBDIVISION OF LOT 8 BEING IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 27, OF RUGEN'S SUBDIVISION OF PARTS OF SECTIONS 26, 27 and 34. TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PERMANENT TAX NUMBERS:** 04-27-201-034. (PARCEL 1)  
04-27-201-035. (PARCEL 2)

**COMMONLY KNOWN AS:** 2000-2010 LEHIGH  
GLENVIEW, ILLINOIS

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in respect of Senior Liabilities, Borrower has granted to Bank a first mortgage lien and a security interest in and lien upon all or substantially all of Borrower's personal property and fixtures located on the Mortgaged Property (the "Senior Liens"). To secure the repayment of the Junior Liabilities, Borrower has heretofore granted to the undersigned a junior mortgage lien upon the Mortgaged Property (collectively, "Junior Liens").

3. The undersigned hereby subordinates the Junior Liabilities to the Senior Liabilities and the Junior Liens to the Senior Liens.

4. Except as hereinafter in this Agreement expressly otherwise provided or as Bank may hereafter otherwise expressly consent in writing, the payment of all Junior Liabilities shall be postponed and subordinated to the payment in full of all Senior Liabilities, and no payments or other distributions whatsoever in respect of any Junior Liabilities shall be made, nor shall any property or assets of Borrower be applied to the purchase or other acquisition or retirement of any Junior Liabilities. Notwithstanding anything herein contained to the contrary, provided no Event of Default shall have occurred and be continuing under the Bank's Note or Mortgage of which the undersigned shall have notice, there shall be excepted from the terms of the foregoing provisions of this paragraph 4 payments to the undersigned by Borrower contemplated by the terms of the Junior Note and Junior Mortgage prior to default.

5. Until the first to occur of (a) Bank's demand for payment of the Senior Liabilities, (b) notice from Bank that an Event of Default (as defined in the First Mortgage) has occurred which is continuing, (c) notice from Bank that Bank intends to commence foreclosure of the First Mortgage), scheduled payments (but no prepayments) of principal and interest may be made by Borrower when due. Any notice required hereunder shall be deemed reasonably and properly given if given to the undersigned in person or in writing by telegram, telex or by first class mail, and if mailed such notice shall be deemed validly given or delivered three (3) days after deposit in the United States mails, properly addressed as herein provided and with proper postage prepaid. Notice given in writing shall be deemed validly given if given to the undersigned at its address shown below or at such other address as the Bank may be advised by the undersigned in writing.

6. In the event of any dissolution, winding up, liquidation, readjustment, reorganization or other similar proceedings relating to Borrower or to its property (whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of Borrower, or any sale of all or substantially all of the assets of Borrower, or otherwise), the Senior Liabilities shall first be paid in full before the undersigned shall be entitled to receive and to retain any payment or distribution in respect of the Junior Liabilities and the Junior Liens, in order to implement the foregoing, (a) all payments and distributions of any kind or character in respect of the Junior Liabilities and the Junior Liens to which the undersigned would be entitled if the Junior Liabilities and the Junior Liens were not subordinated, or subordinated and pledged or assigned,

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pursuant to this Agreement shall be made directly to the Bank, (b) the undersigned shall promptly file a claim or claims, in the form required in such proceedings, for the full outstanding amount of the Junior Liabilities, and shall cause said claim or claims to be approved and all payments and other distributions in respect thereof to be made directly to the Bank, and (c) the undersigned hereby irrevocably agrees that the Bank may, at its sole discretion, in the name of the undersigned or otherwise, demand, sue for, collect, receive and receipt for any and all such payments or distributions, and file, prove, and vote or consent in any such proceedings with respect to, any and all claims of the undersigned relating to the Junior Liabilities and the Junior Liens.

7. In the event that the undersigned receives any payment or other distribution of any kind or character from Borrower or from any other source whatsoever in respect of any of the Junior Liabilities and/or the Junior Liens, other than as expressly permitted by the terms of this Agreement, such payment or other distribution shall be received in trust for the Bank and promptly turned over by the undersigned to the Bank. The undersigned will mark his books and records, and cause Borrower to mark its books and records, so as to clearly indicate that the Junior Liabilities and/or the Junior Liens are subordinated in accordance with the terms of this Agreement, and will cause to be clearly inserted in any promissory note or other instrument which at any time evidences any of the Junior Liabilities and/or the Junior Liens a statement to the effect that the payment thereof is subordinated in accordance with the terms of this Agreement. The undersigned will execute such further documents or instruments and take such further action as the Bank may reasonably from time to time request to carry out the intent of this Agreement.

8. All payments and distributions received by the Bank in respect of the Junior Liabilities and the Junior Liens, to the extent received in or converted into cash, may be applied by the Bank first to the payment of any and all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in enforcing this Agreement or in endeavoring to collect or realize upon any of the Junior Liabilities and the Junior Liens, and any balance thereof shall, solely as between the undersigned and the Bank, be applied by the Bank, in such order of application as the Bank may from time to time select, toward the payment of the Senior Liabilities remaining unpaid; but, as between Borrower and its creditors, no such payments or distributions of any kind or character shall be deemed to be payments or distributions in respect of the Senior Liabilities; and, notwithstanding any such payments or distributions received by the Bank in respect of the Junior Liabilities and the Junior Liens and so applied by the Bank toward the payment of the Senior Liabilities, the undersigned shall be subrogated to the then existing rights of the Bank, if any, in respect of the Senior Liabilities only at such time as this Agreement shall have been discontinued and the Bank shall have received payment of the full amount of the Senior Liabilities, as provided for in paragraph 11 hereof.

9. The undersigned hereby waives: (a) notice of acceptance by the Bank of this Agreement; (b) notice of the existence or creation or non-payment of all or any of the Senior Liabilities;

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and (c) all diligence in collection or protection of or realization upon the Senior Liabilities or any thereof or the Senior Liens.

10. The undersigned will not without the prior written consent of the Bank: (a) cancel, waive, forgive, transfer or assign, or attempt to enforce or collect, or subordinate to any liabilities of Borrower other than the Senior Liabilities, any Junior Liabilities or any rights in respect thereof; (b) take any collateral security for any Junior Liabilities other than the Junior Liens; (c) convert any Junior Liabilities into stock of Borrower; or (d) commence, or join with any other creditor in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to Borrower.

11. This Agreement shall in all respects be a continuing agreement and shall remain in full force and effect until such time as all Senior Liabilities shall have been paid in full and the obligations of Bank under the Loan Agreement shall have been terminated.

12. The Bank may, from time to time, whether before or after any discontinuance of this Agreement, at its sole discretion and without notice to the undersigned, take any or all of the following actions: (a) retain or obtain a mortgage or security interest in any property to secure any of the Senior Liabilities, (b) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to any of the Senior Liabilities, (c) alter (other than an extension or renewal) or exchange any of the Senior Liabilities, or release or compromise any obligation of any nature of any obligor with respect to any of the Senior Liabilities, and (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Senior Liabilities or release, compromise, alter (other than an extension or renewal) or exchange any obligations of any nature of any obligor with respect to any such property.

13. The Bank may, from time to time, whether before or after any discontinuance of this Agreement, without notice to the undersigned, assign or transfer any or all of the Senior Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Senior Liabilities shall be and remain Senior Liabilities for the purposes of this Agreement, and every immediate and successive assignee or transferee of any of the Senior Liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Senior Liabilities, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were the Bank; provided, however, that, unless the Bank shall otherwise consent in writing, the Bank shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Agreement, for the benefit of the Bank, as to those of the Senior Liabilities which the Bank has not assigned or transferred.

14. The Bank shall not be prejudiced in its rights under this Agreement by any act or failure to act of Borrower or the undersigned, or any noncompliance of Borrower or the undersigned

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with any agreement or obligation, regardless of any knowledge thereof which the Bank may have or with which the Bank may be charged; and no action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligations of the undersigned under this Agreement.

15. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon the Bank except as expressly set forth in a writing duly signed and delivered on behalf of the Bank. For the purposes of this Agreement, Senior Liabilities shall include the obligations and liabilities of Borrower to the Bank described in paragraph 1 hereof, notwithstanding any right or power of Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the agreements and obligations of the undersigned hereunder.

16. This Agreement shall be binding upon the undersigned and upon the successors and assigns of the undersigned; and all references herein to Borrower and to the undersigned, respectively, shall be deemed to include any successor or successors, whether immediate or remote, to such partnership or corporation.

17. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

18. This Agreement is executed and delivered by Chicago Title and Trust Company, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, provided that said Company hereby personally warrants that it has such power and authority. No personal liability shall be asserted or be enforceable against said Company because or in respect of this Agreement or the making, issuance, or transfer hereof, all such liability, if any, being expressly waived by each taker and holder hereof.

IN WITNESS WHEREOF, this Agreement has been made and delivered at Chicago, Illinois as of the 19th day of September, 1988.

Chicago Title and Trust Company,  
as Trustee as aforesaid

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Chicago Title and Trust Company  
as Trustee as aforesaid consented  
to an identified by ID# 725843.

By: Jean M. Cole  
Assistant Secretary

By: [Signature]  
Its: ASST. VICE PRESIDENT

Lehigh Associates, Ltd., the beneficiary under Trust Deed dated 9-19, 1988 hereby joins in the execution of this Subordination Agreement, agrees to be bound by the terms hereof and acknowledges that all of its rights are derivative and dependent on the rights of Chicago Title and Trust Company, as Trustee, as aforesaid.

Lehigh Associates, Ltd.,  
an Illinois limited partnership

By: JURON EQUITIES, Inc.  
Its: GENERAL PARTNER

BY: [Signature] - VICE PRESIDENT

The undersigned Borrower hereby acknowledges receipt of a copy of the foregoing Subordination Agreement, waives notice of acceptance thereof by the Bank, and agrees to be bound by the terms and provisions thereof, to make no payments or distributions contrary to the terms and provisions thereof, and to do every other act and thing necessary or appropriate to carry out such terms and provisions. In the event of any violation of any of the terms and provisions of the foregoing Subordination Agreement, then, at the election of the Bank, any and all obligations of the undersigned Borrower to the Bank shall forthwith become due and payable and any and all agreements of the Bank to make loans, advances or other financial accommodations to the undersigned Borrower shall forthwith terminate, notwithstanding any provisions hereof to the contrary.

This Agreement is executed and delivered by American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, provided that said Bank hereby personally warrants that it has such power and authority. No personal liability shall be asserted or be enforceable against said Bank because or in respect of this Agreement or the making, issuance, or transfer hereof, all such liability, if any, being expressly waived by each taker and holder hereof.

American National Bank and  
Trust Company of Chicago,  
a national banking association,  
not personally but as Trustee  
as aforesaid

[Signature]  
ASSISTANT SECRETARY

By: [Signature]  
Title: Second Vice-President

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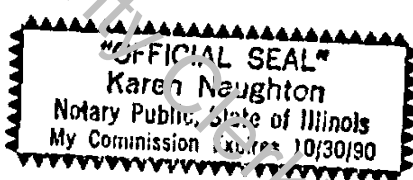
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Karen Naughton, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Kathleen Pialek, Assistant Vice President of Chicago Title and Trust Company, not personally but as Trustee under Trust Agreement dated July 27, 1988 and known as Trust No. 106094-02 and JEAN M. ROLER, Assistant Secretary of said Company, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged (he/she), as custodian of the corporate seal of said Company, caused the corporate seal of said Company to be affixed to said instrument as the free and voluntary act of said Company, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this SEP 21 1988 day of \_\_\_\_\_, 1988.

[Signature]  
Notary Public

My Commission Expires:  
10/30/90



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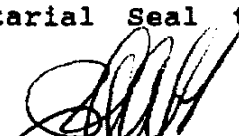
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STATE OF ILLINOIS )  
                          ) SS  
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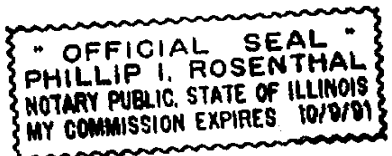
I, Phillip I Rosenthal, a Notary Public, in and for  
said County, in the State aforesaid, DO HEREBY CERTIFY that  
Phillip Reinken, Managing General Partner of Lehigh  
Associates, Ltd., an Illinois limited partnership, appeared before  
me this day in person and acknowledged that he/she signed and  
delivered the said instrument as their own free and voluntary act  
and as the free and voluntary act of said partnership, for the  
uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 23 day of  
Sept, 1988.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

10-9-91



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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, KULA DAVIDSON, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that SUZANNE G. BAKER SECURE VICE PRESIDENT of American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated July 27, 1988 and known as Trust No. 106094-02 and J. MICHAEL WHELAN, ASSISTANT SECRETARY of said Bank who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such SECURE VICE PRESIDENT and ASSISTANT SECRETARY, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth; and the said then and there acknowledged (he/she), as custodian of the corporate seal of said Bank, caused the corporate seal of said Bank to be affixed to said instrument as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of SEP 21 1988, 1988.

Kula Davidson  
Notary Public

My Commission Expires:  
\_\_\_\_\_

“OFFICIAL SEAL”  
Kula Davidson  
Notary Public, State of Illinois  
My Commission Expires 12/26/90

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1988 SEP 23 PM 2-57  
HARRY (BUS) YOUNELL  
REGISTRAR OF TITLES

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IDENTIFIED No.	
REGISTRAR OF TITLES HARRY (BUS) YOUNELL	KELLY

COMMUNITY TITLE GUARANTEE COMPANY  
1850 East Lake Street  
Addison, Illinois 60104

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