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Proposed by

WHEN RECORDED RETURN TO:
SomerCor 504, Inc.
Two East 8th Street
Chicago, Illinois 60605



Eugene "Gene" Moore Fee: \$30.00
Cook County Recorder of Deeds
Date: 08/13/2003 02:13 PM Pg: 1 of 4

Borrower: Vanities, Inc.
Loan No. CDC-350,272-40-03-IL

384666(3)

SUBORDINATION AGREEMENT

This document is dated, for reference, as of the 24th day of July, 2003. As an inducement Cornerstone National Bank & Trust Company ("Lender") to grant a loan to Vanities Manufacturing Company, Inc. ("Borrower"), and in consideration thereof, the United States Small Business Administration, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, D. C., and a Commercial Loan Servicing Center at 2719 North Air Fresno Drive, Suite 107, Fresno, California 93727 ("SBA"), agrees to subordinate the lien of its mortgage dated February 14, 2000 and recorded on March 7, 2000 as Document Number 00159539 with the Recorder's Office of the County of Cook, State of Illinois in favor of SomerCor 504, Inc. and assigned by SomerCor 504, Inc. to the SBA pursuant to an assignment of mortgage recorded on March 7, 2000 as Document Number 00159540 ("SBA Mortgage"), its memorandum of collateral assignment and reassignment of lease and rents to the SBA recorded on March 7, 2000 as Document Number 00159541 ("SBA Assignment of Rents") and its UCC Financing Statements of Record ("UCC Statements") to the mortgage and UCC liens of, and assignment of rents to, Lender, when and if taken, to secure a loan hereafter described, upon the premises described in Exhibit A. The SBA Mortgage, SBA Assignment of Rents, and UCC Statements shall be collectively called the "SBA Lien Documents".

Conditions

1. The Loan from Lender to Borrower, to which this subordination shall apply, shall be in an amount not to exceed \$445,000. 0322546185
2. This subordination shall not extend to any other indebtedness from Lender to Borrower now existing or hereafter created, but shall apply only to all amounts justly accruing under the terms of the note executed pursuant to the aforesaid loan. Lender will not make any additional advances under its Mortgage except such disbursements which become necessary to protect its security interest and for which Borrower is liable under Lender's loan documents. Any lien upon the property securing repayment of additional advances or monies due as a result of a default interest rate shall be subordinate to the lien of the SBA lien documents.
3. The lien and indebtedness held by Lender for the aforesaid loan, and subordinated to by SBA herein, shall not, without the prior written consent of SBA, be subordinated to the lien, claim or interest of any other creditor of Borrower now or in the future.
4. Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA lien documents with respect to any legal or equitable interest in the property. Borrower and Lender shall hold SBA harmless from any impairment of its lien which is occasioned by this subordination.

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All proceeds of Lender's loan shall be applied to satisfy debt secured by a lien presently superior to the lien of the SBA mortgage, plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.

- 5. A default in the obligation secured by the Lender's Mortgage may be cured (including purchase of the property at foreclosure sale) by the SBA via cash, certified funds or a United States Treasury Check, at the option of the SBA. Provisions for a so-called "default rate of interest" or any similar penalty payment that may be contained within the Lender's mortgage are inapplicable to SBA.
- 6. A breach of any of the foregoing covenants and conditions by Borrower and/or Lender shall, at the option of the SBA, render this agreement void in its entirety. This subordination agreement is also void if not duly executed by Borrower, Lender, SBA, and all Guarantors of the SBA loan.

Borrower: Vanities Manufacturing Co., Inc. d/b/a Vanities, Inc.

Date: _____, 2003

By: [Signature]
James E. Stubing, President

Lender: Cornerstone National Bank & Trust Company

Date: July 24, 2003

By: [Signature]
Name Printed: KEVIN J. DRUCKER
Title: VICE PRESIDENT

Date: 7/9, 2003

Administrator, United States Small Business Administration, an Agency of the United States

BARBARA JUNG
Senior Loan Specialist

By: Barbara Jung 7/9/03

The undersigned Guarantor hereby consent to all terms above and acknowledge their liability for the above referenced SBA loan is in no manner diminished by this agreement.

Date: _____, 2003

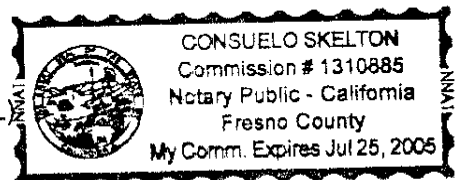
BY: [Signature]
James E. Stubing, President

STATE OF CALIFORNIA
COUNTY OF FRESNO

On July 9, 2003, before me, Consuelo Skelton, a Notary Public, personally appeared Barbara Jung, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Notary Public: Consuelo Skelton

(SEAL)

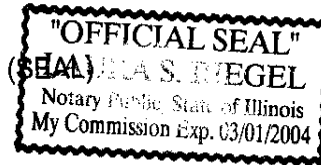


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STATE OF ILLINOIS
COUNTY OF COOK

On July 24, 2003, before me, LAURA S. RIEGEL, a Notary Public, personally appeared **James E. Stubing**, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

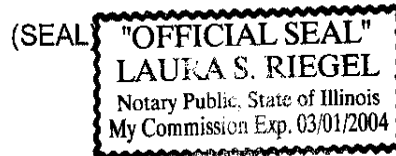
Notary Public: *Laura S. Riegel*



STATE OF ILLINOIS
COUNTY OF COOK

On July 24, 2003, before me, LAURA S. RIEGEL, a Notary Public, personally appeared **KEVIN J. DRUCKER**, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

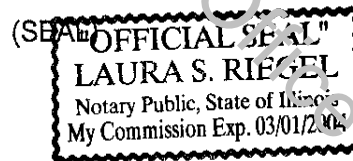
Notary Public: *Laura S. Riegel*



STATE OF ILLINOIS
COUNTY OF COOK

On July 24, 2003, before me, LAURA S. RIEGEL, a Notary Public, personally appeared **JAMES E. STUBING**, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Notary Public: *Laura S. Riegel*



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00159539

EXHIBIT A

LEGAL DESCRIPTION

LOT 19 IN RESUBDIVISION OF LOT 1 IN ARLINGTON INDUSTRIAL AND RESEARCH CENTER UNIT NUMBER 2, BEING A RESUBDIVISION IN THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY.

Pin #: 03-07-204-012-0000

Commonly
Known as: 208 W. University Drive
Arlington Heights, IL 60005

Property of Cook County Clerk's Office