

UNOFFICIAL COPY

PREPARED BY:
R. Bruce Patterson
2401 West White Oaks Drive
Springfield, Illinois 62704



Doc#: 0733946081 Fee: \$34.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/05/2007 10:59 AM Pg: 1 of 6

CTIC-HE

WHEN RECORDED MAIL TO:

Harris N.A. - Collateral Mgmt.
P.O. BOX 2880
Chicago, IL 60690-2880

Space Above This Line For Recorder's Use Only

H25147635

SUBORDINATION OF MORTGAGE

As an inducement to HARRIS BANK, NA, ("Lender") to grant a loan to GMS LAND, INC., ("Borrower") as herein described, and in consideration of said loan and the agreement of the SBA borrower and guarantors (see attached exhibit B), the undersigned U.S. SMALL BUSINESS ADMINISTRATION, ("SBA"), a secured lender to Borrower, hereby agrees to subordinate the lien of a mortgage dated FEBRUARY 4, 2003 and recorded in COOK County, IL, on FEBRUARY 21, 2003, as document number 0030243905 executed by GMS Land, Inc., to Small Business Growth Corporation as mortgagee and assigned to the SBA by an Assignment of Mortgage dated FEBRUARY 6, 2003 and recorded in COOK County, IL, on FEBRUARY 21, 2003 as document number 0030243906, and its assignment of leases and rents dated FEBRUARY 4, 2003 and recorded in COOK County, IL, on FEBRUARY 21, 2003 as document number 0030243907, to the lien of Lender, established by a Mortgage Security Agreement, Assignment of Leases and Rents, and Fixture Filing (the "Mortgage"), when and if taken, to secure a loan hereafter described, upon the premises legally described as follows, to wit:

SEE ATTACHED EXHIBIT A

Lender agrees that this Subordination Agreement is subject to, and expressly conditioned upon, the following:

1. The loan from Lender to Borrower to which this subordination shall apply shall be in the amount not to exceed \$\$153,282 for a term of not less than not less than 5 years (the "Loan"). Lender agrees to give written notice within 30 days of any default by Borrower of its obligations under the Loan and at least 60 days prior to any foreclosure.
2. The use of proceeds of the Loan shall be for purposes of refinancing the existing first lien position with better terms plus \$28,500 for the purposes of building a garage / pole barn.

UNOFFICIAL COPY

3. This Subordination Agreement shall not extend to any other indebtedness from Borrower to Lender now existing or hereafter created, but shall apply only to all amounts justly accruing under the terms of that certain Promissory Note executed pursuant to the Loan. Further, Lender agrees that this subordination shall not apply to any prepayment penalties, late fees, default interest or other default charges, which may otherwise accrue under the provisions of the Loan and Mortgage including any future advances by Lender secured by the Mortgage.
4. The lien and indebtedness held by Lender for the Loan shall not, without the prior written consent of SBA, be subordinated to any other lien, claim or interest of Lender or any other creditor of Borrower now or in the future. Should SBA choose to cure a default by Borrower or purchase the Loan or lien position because of a default, Lender agrees to accept payment via cash, certified funds or a U.S. Treasury check, at the option of SBA.
5. This subordination shall not remain in effect in the event the lien of Lender is declared invalid as a preference in any proceeding commenced by the filing of a bankruptcy petition by or against Borrower.
6. A copy of the properly executed Mortgage shall be submitted to the Illinois Small Business Growth Corporation/SBA together with the written consent of the guarantors.
7. A breach of any of the foregoing covenants by Lender shall, at the option of SBA, render this Agreement null and void in its entirety.

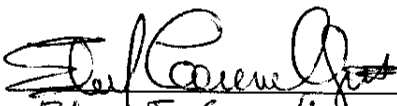
Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA Security Instrument with regard to any legal or equitable interest in the property. Owner and Lender shall hold SBA harmless from any impairment of its lien (with regard to any third party) which is occasioned by this subordination.

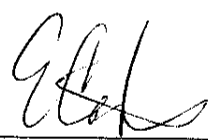
SBA'S AGREEMENT TO SUBORDINATE ITS LIEN INTEREST TO THAT OF LENDER IS EXPRESSLY CONDITIONED UPON THE SBA'S BORROWER AND GUARANTORS EXECUTION OF CONSENT TO THIS SUBORDINATION AND AGREEMENT TO ITS TERMS AND PROVISIONS. (SEE ATTACHED EXHIBIT B). THIS SUBORDINATION IS NULL AND VOID IF EXHIBIT B IS NOT DULY EXECUTED AND ATTACHED.

IN WITNESS WHEREOF, SBA has executed this instrument and Lender has accepted delivery of this instrument and the conditions set forth herein as of the day and year aforesaid.

HARRIS BANK, NA

U. S. SMALL BUSINESS ADMINISTRATION

By: 
 Name: Edmund J. Conwell
 Its: Vice President

By: 
 Name: _____
 Its: Elodia Castro
Sr. Loan Specialist



UNOFFICIAL COPY

EXHIBIT A

THE SOUTH 10 ACRES OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THE WEST 813.5 FEET THEREOF, AND ALSO EXCEPTING FROM SAID TRACT, THAT PART FALLING WITHIN THE STRIP OF LAND 100 FEET IN WIDTH CONVEYED TO F. E. WORCESTER, AS TRUSTEE BY DEED DATED JUNE 25, 1889 AND RECORDED JULY 1, 1889 AS DOCUMENT 1123172 IN BOOK 2038, PAGE 103, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS 193 PENNY ROAD, SOUTH BARRINGTON, ILLINOIS;

PIN: 01-21-302-010.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

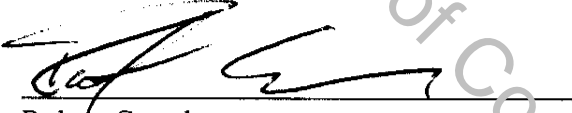
EXHIBIT B

CONSENT TO SUBORDINATION AND AGREEMENT TO ITS TERMS

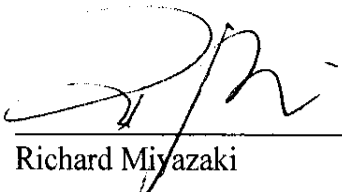
WHEREAS, GMS LAND, INC. has sought a loan in the amount of \$153,282, secured by a mortgage on certain real property, from HARRIS BANK, NA; and

WHEREAS, the U. S. Small Business Administration (SBA) has been requested to subordinate its mortgage to that of HARRIS BANK, NA and that to induce the SBA to execute such a subordination it is necessary and appropriate for the borrower and guarantors of the SBA 504 loan, made by Small Business Growth Corporation and assigned to the SBA, to evidence their written consent to the subordination and agreement with the terms thereof.


NOW THEREFORE BE IT KNOWN THAT THE UNDERSIGNED HAVE CONSENTED TO SAID SUBORDINATION AND AGREE TO ITS TERMS AND HAVE AFFIXED THEIR SIGNATURES HERETO AS EVIDENCE OF SAID CONSENT AND AGREEMENT.



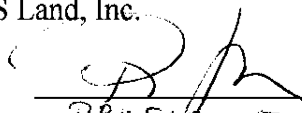
Robert Grassly

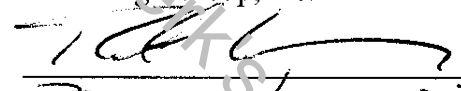


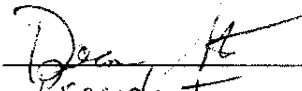
Richard Miyazaki



Dean Strom

GMS Land, Inc.
By: 
Title: PRESIDENT

Stonewood Design Group, Inc.
By: 
Title: PRESIDENT/TREASURER

Land Escapes, Inc.
By: 
Title: President

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF _____)
) SS:
COUNTY OF _____)

I, _____, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that _____ of _____, personally known to me to be the same person, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that it was signed and delivered as a free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 20____.

NOTARY PUBLIC

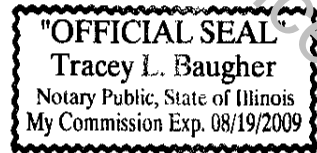
STATE OF Illinois)
) SS:
COUNTY OF McHenry)

I, Tracey L. Baugher, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that Edwin J. Connolly of Harris N.A., personally known to me to be the same person, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that it was signed and delivered as a free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of November, 2007.

Tracey L. Baugher

NOTARY PUBLIC



UNOFFICIAL COPY

State of California)

County of Fresno)

On October 25, 2007 before me, Kimberly Jene Hall, a Notary Public, personally appeared Eladio Castro, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

