

08-03097

When Recorded Return To:  
Somercor 504, Inc.  
601 S. LaSalle Street  
Suite 510  
Chicago, IL 60605



Doc#: 0821140041 Fee: \$50.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 07/29/2008 10:46 AM Pg: 1 of 8

Loan Name: Sawing and Shearing  
Services, Inc.

Loan No.: 38076940-10 (M/L 603)

**SUBORDINATION  
AGREEMENT**

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PREMIER TITLE

THIS AGREEMENT is dated for reference July 21, 2008 and is between SOMERCOR 504, INC. and CHICAGO TITLE LAND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED FEBRUARY 22, 1995 AND KNOWN AS TRUST NUMBER 1100420, owner(s) of the land described in the Deeds of Trust referenced below ("Owner"), FIRST MIDWEST BANK ("Lender") and the SMALL BUSINESS ADMINISTRATION, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, in the District of Columbia, and a Commercial Loan Servicing Center at 2719 North Air Fresno Drive, Suite 107, Fresno, California 93727 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that/those certain Mortgage(s), dated February 25, 2002 and recorded March 11, 2002 as Document Number 0020273482, to secure a Note or Notes in the sum of \$557,000.00 and assigned by Somercor 504, Inc. to the SBA pursuant to an assignment of mortgage as Document Number 0020273483 ("SBA Mortgage(s)") 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". The SBA Mortgage(s) was/were recorded with Cook County Official Records.

Owner has also executed, or is about to execute, a Mortgage securing a Note in a sum not to exceed \$1,150,000.00 dated \_\_\_\_\_, in favor of FIRST MIDWEST BANK ("Lender's Mortgage"). Lender's Mortgage shall be recorded concurrently herewith (or was recorded on as Instrument Number 0821140039, County Official Records.

Lender has requested that the SBA Mortgage(s) be subordinated to the Lender's Mortgage. SBA is willing to subordinate the lien(s) of the SBA Mortgage(s) provided it retains its lien priority with regard to all other legal and equitable interests in the property.

In consideration of the mutual benefits to the parties and to induce Lender to make a

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to Owner, it is hereby agreed as follows:

- (1) Lender's Mortgage, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA Mortgage.
- (2) Lender would not make its loan without this Subordination Agreement.
- (3) Except as expressly provided herein, this Agreement shall not operate or be construed to alter the priority of the SBA Mortgage 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.
- (4) All proceeds of Lender's loan, if a refinance, shall be applied to satisfy debt secured by a lien(s) presently superior to the lien of the SBA Mortgage, the following described uses, if any, plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.
- (5) SBA's agreement to subordinate its lien interest to that of the Lender is expressly conditioned upon Lender's, Borrower's and Guarantor's execution of this subordination agreement. This Subordination Agreement is null and void if not duly executed by the foregoing parties.
- (6) Compliance with 504 Loan Program Requirements. Lender confirms that the note evidencing the Lender Loan, any lien instruments securing the Lender Loan, and all other documents executed in connection with the Lender Loan ("Lender's Loan Documents")
  - (a) have no open-ended features and allow reasonable future advances only for the costs of collection the obligor is liable for under the Lender's Loan Documents, maintaining collateral, and/or protecting the lien(s) securing the Lender Loan, (b) are not cross-collateralized with any other financing now or hereafter to be provided by Lender, (c) have no early call features, (d) are not payable on demand unless the Lender Loan is in default, (e) have a term that at least equals, and do not require a balloon payment prior to, the term of the previous Third Party Lender Loan unless SBA has approved a shorter term, (f) have a reasonable interest rate that does not, and will not, exceed the maximum interest rate for a Third Party Loan as published by SBA and in effect as of the date of this Agreement, and (g) do not establish a preference in favor of Lender, as compared to CDC and SBA, related to making, servicing, or liquidating the Lender Loan (including but not limited to, with respect to repayment, collateral, guarantees, control, maintenance of a compensating balance, purchase of a certificate of deposit, or acceptance of a separate or companion loan) other than Lender's senior lien position(s) on the Collateral. Lender agrees that if Lender's Loan Documents or any provision therein does not comply with these requirements, then Lender waives its right to enforce any such non-complying document or provision unless Lender has obtained the prior written consent of CDC and/or SBA permitting such enforcement.
- (7) Subordination of Default Charges. "Default Charges" mean any prepayment penalties, fees, or charges incurred in prepaying the Lender Loan, in whole or in part,

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prior to the stated maturity; any late fees or charges due in connection with the Lender Loan; any escalated, increased, or default interest charged in excess of the rate of interest in Lender's note absent a default, event of default, or other delinquency; and any other default charges, penalties, or fees of any nature whatsoever due because of a default, event of default, or other delinquency in connection with the Lender Loan. Lender hereby subordinates the collection of any Default Charges to the collection by CDC and/or SBA of the 504 Loan and, to the extent that Lender's Loan Documents secure any Default Charges, Lender hereby subordinates such lien(s) to the lien(s) securing the 504 Loan.

(8) Notice of Default Under the Lender Loan. If any default, event of default or delinquency, upon which Lender intends to take action, occurs under the Lender's Loan Documents, then Lender agrees to give CDC and SBA written notice of such default, event of default or delinquency and the opportunity to cure the default, event of default, or delinquency and bring the Lender Loan current or to purchase Lender's note, provided that the amount to bring the Lender Loan current or to purchase Lender's note will be net of all amounts attributable to Default Charges. Lender further agrees that if Lender receives from CDC or SBA any amounts attributable to Default Charges, then Lender will immediately remit such amounts to SBA. Notice hereunder must be given within thirty (30) days after the default, event of default or delinquency upon which Lender intends to take action and at least sixty (60) days prior to the date of any proposed sale of Collateral and Lender will not sell all or any portion of the Collateral without giving CDC and the SBA such notice. 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. Notice under this Agreement shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to (CDC) at , Attention: Servicing, and also to the SBA at 2719 North Air Fresno Drive, Suite 107, Fresno, California 93727.

(9) Collection and Liquidation. In the event that either the Lender Loan or the 504 Loan is declared in default; Lender, CDC and SBA agree to cooperate in liquidating and/or selling the Collateral. Lender agrees (a) to accept cash, certified funds or a U.S. Treasury check(s) in connection with any purchase of Lender's note or any foreclosure or liquidation bid by CDC or SBA; (b) to provide CDC and SBA with the loan payment status, loan payment history, and an itemized payoff statement of the Lender Loan; (c) to provide CDC and SBA with copies of any appraisals, environmental investigations, or title examinations or searches of the Collateral conducted by or for Lender; and (d) to provide any other information about Borrower or the Lender Loan requested by CDC and/or SBA in writing.

(10) No Implied Third Party Beneficiaries. Except to the extent stated in this Agreement, this Agreement does not modify or affect otherwise any other agreement that either party may have with third parties, including but not limited to, Borrower. This Agreement also does not grant any right, benefit, priority, or interest to any third parties, including but not limited to, Borrower.

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(11) Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their respective heirs, successors and assigns, including any party acquiring the Lender Loan or Lender's Loan Documents by sale, assignment, or other transfer.

(12) Federal Law. When SBA is the holder of the note evidencing the 504 Loan, this Agreement and all documents evidencing or securing the 504 Loan will be construed in accordance with federal law. CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax, or liability. No Borrower or guarantor of the 504 Loan may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to the 504 Loan.

(13) Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

U.S. SMALL BUSINESS ADMINISTRATION  
BY its Attorney-In-Fact

By: [Signature] 6/11/08  
Dean Wamack  
St. Clair Springs



**Borrower:**

Date: July 21, 2008

**JACK E. SAMBO**

By: [Signature]  
Jack E. Sambo, Beneficiary for Trust  
Dated February 22, 1995

**Lender:**

Date: July 21, 2008

**FIRST MIDWEST BANK**

By: [Signature]  
Name Printed: JAMES HYNES  
Title: V.P.

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

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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.

JACK E. SAMBO

Date: July 21, 2008

BY: Jack E. Sambo  
Jack E. Sambo, Individual

State of California )

County of Fresno )

On JUNE 11 2008 before me, THERESA J PIKE, a Notary Public, personally appeared CARY N WAMNOF, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: *Theresa Pike*



STATE OF ILLINOIS  
COUNTY OF COOK

On July 21, 2008, 2008, before me, Meg D. Stein, a Notary Public, personally appeared FIRST MIDWEST BANK, James Hynes, 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: *Meg D. Stein*





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STATE OF ILLINOIS  
COUNTY OF COOK

On July 21, 2008, before me, Meg D. STEIN, a Notary Public, personally appeared **JACK E. SAMBO, Jack E. Sambo, Beneficiary for Trust Dated February 22, 1995**, 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.

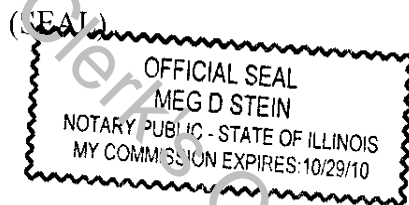
Notary Public Meg D. Stein



STATE OF ILLINOIS  
COUNTY OF COOK

On July 21, 2008, before me, Meg D. Stein, a Notary Public, personally appeared **JACK E. SAMBO**, individually, 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 she executed the same in her authorized capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Notary Public: Meg D. Stein



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loan

  
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## EXHIBIT "A"

### LEGAL DESCRIPTION:

LOT 1 IN ADAM RECH'S SUBDIVISION OF PART OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 1, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPTING THEREFROM THAT PART THEREOF CONVEYED TO THE CALUMET AND CHICAGO TERMINAL RAILWAY COMPANY BY DEED DATED JULY 12, 1889 AND RECORDED AS DOCUMENT 1128237; ALSO EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED AS FOLLOWS; COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTH 4 ½ DEGREES WEST 67 FEET AND 4 INCHES; THENCE WEST 95 FEET; THENCE SOUTH 67 FEET; THENCE EAST 101 FEET TO THE POINT OF BEGINNING, COOK COUNTY, ILLINOIS.

**PERMANENT INDEX NUMBER(S):** 28-01-201-001-0000

**COMMON STREET ADDRESS:** 13500 South Western Ave., Blue Island, Illinois 60406