

Prepared by and when Recorded
Return To:

Small Business Growth Corporation
Attn: Nick Kern
2401 West White Oaks Drive
Springfield, IL 62704

1232046

Loan Name: Ki Young Chin dba U-
Joo Foods
Loan No.: 383655 5007

**SUBORDINATION
AGREEMENT**

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THIS AGREEMENT is dated for reference February 22, 2013, and is between Ki YOUNG CHIN AND JEONG MI CHIN, HIS WIFE, AS JOINT TENANTS, owner(s) of the land described in the Mortgage referenced below ("Owner"), CHASE 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 801 R Street, Suite 101, Fresno, California 93721 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that/those certain Mortgage(s), dated March 31, 2010, and the Assignment of Leases and Rents dated March 31, 2010 to secure a Note or Notes in the sum of \$333,000 ("SBA Security Instruments"). The SBA Mortgage(s) was/were recorded on April 5, 2010 as Instrument Number(s) 1009531078, Cook County, Illinois Official Records. The Assignment of Leases and Rents was recorded on April 5, 2010 as Instrument Number 1009531080, Cook County, Illinois Official Records.

Owner has also executed, or is about to execute, a Mortgage securing a Note in a sum not to exceed \$384,350.00 dated 2/8/13, in favor of Lender ("Lender's Mortgage"). Lender's Mortgage shall be recorded concurrently herewith (or was recorded on March 11, 2013 as Instrument Number 1307008618, Cook County, Illinois Official Records.

Lender has requested that the SBA Security Instruments be subordinated to the Lender's Mortgage. SBA is willing to subordinate the lien(s) of the SBA Security Instruments 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 loan 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 Security Instruments.

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- (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 Security Instruments 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 Security Instruments, the following described uses, if any NONE 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, 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,

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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 Small Business Growth Corporation (CDC) at 2401 West White Oaks Drive; Springfield, IL 62704, Attention: Servicing, and also to the SBA at 801 R Street, Suite 101, Fresno, California 93721.

(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.

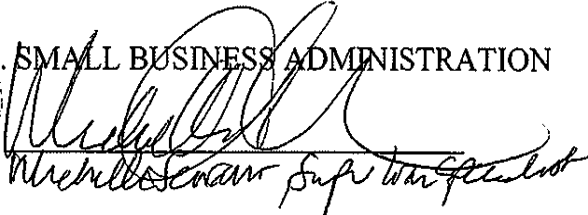
(10) No Implied Third Party Beneficiaries. Except to the extent stated in this Agreement, this Agreement does not modify or affect otherwise any other agreement that either party may have with third parties, including but not limited to, Borrower. This Agreement also does not grant any right, benefit,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

(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.

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(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: 
Michelle Serrano Superintendant

State of California)
)
County of Fresno)

On 02/22/2013 before me, DAKOTA ERICKSON, a Notary Public, personally appeared Michelle Serrano, 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.

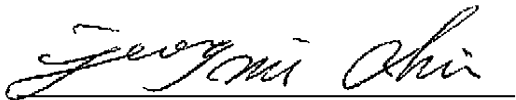
WITNESS my hand and official seal.

Signature DAKOTA ERICKSON



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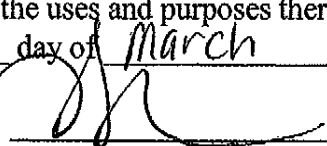

Ki Young Chin


Jeong Mi Chin

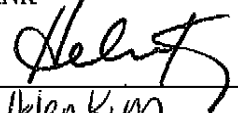
STATE OF IL)
) SS:
COUNTY OF Cook)

I, Nancy Kim, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Ki Young Chin and Jeong Mi Chin personally known to me to be the same person(s), whose name(s) is(are) 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 8 day of March, 20 13.




NOTARY PUBLIC

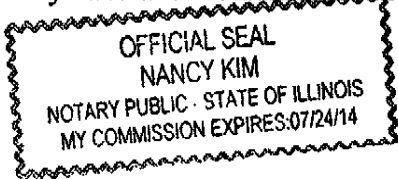
CHASE BANK

By: 
Name: Helen Kim

STATE OF IL)
) SS:
COUNTY OF Cook)

I, Nancy Kim, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that Helen Kim of Chase Bank, 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 8 day of March, 20 13.




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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.

U Joo Nature's Co.

By: [Signature]

Title: Ki Young Chin

STATE OF Illinois)

COUNTY OF Cook)

SS:

I, Nancy Kim, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that Ki Young Chin of U Joo Nature's Co, 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 3 day of March, 2013.



[Signature]
NOTARY PUBLIC

UNOFFICIAL COPY**Exhibit A****PARCEL 1:**

THAT PART OF LOTS 3 AND 4 IN FREDERICK W. SHEFFER'S SUBDIVISION OF LOT 12 IN JOHN PROESEL ESTATE PARTITION, BEING A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF AN EXTENSION 1 STORY BRICK BUILDING (WHOSE SOUTH WALL IS 0.43 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF AFORESAID LOT 4) EXTENDED EAST TO THE EAST LINE OF AFORESAID LOT 4; THENCE WEST ALONG THE SOUTH LINE OF THE EXTERIOR FACE OF THE AFORESAID 1 STORY BRICK BUILDING AND ITS EXTENSION, ON AN ASSUMED BEARING OF SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 150.13 FEET TO THE SOUTHWEST CORNER OF AFORESAID 1 STORY BRICK BUILDING; THENCE NORTH 00 DEGREES 08 MINUTES 00 SECONDS WEST ALONG THE WEST EXTERIOR FACE OF A 1 STORY BRICK BUILDING, A DISTANCE OF 70.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST BEING ALONG THE WEST EXTERIOR FACE OF SAID 1 STORY BRICK BUILDING, A DISTANCE OF 7.20 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE EXTERIOR FACE OF SAID 1 STORY BRICK BUILDING A DISTANCE OF 37.63 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 19 SECONDS EAST, BEING ALONG THE CENTERLINE OF A PARTY WALL BETWEEN BRICK BUILDINGS, A DISTANCE OF 46.01 FEET TO A POINT ON THE EXTERIOR FACE OF BRICK WALL, THENCE NORTH 00 DEGREES 00 MINUTES 49 SECONDS WEST, BEING ALONG THE EXTERIOR FACE OF A BRICK WALL, A DISTANCE OF 3.08 FEET TO A CORNER OF A WALL; THENCE SOUTH 89 DEGREES 59 MINUTES 35 SECONDS EAST ALONG THE LINE OF THE EXTERIOR FACE OF A 1 STORY BRICK BUILDING AND ITS EXTENSION, A DISTANCE OF 99.48 FEET TO A POINT ON THE EAST LINE OF AFORESAID LOT 4; THENCE SOUTH 01 DEGREES 14 MINUTES 40 SECONDS WEST ALONG SAID EAST LINE OF LOT 4, A DISTANCE OF 110.52 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT IN, TO UNDER, OVER UPON, THROUGH AND ABOUT PORTIONS OF THE 6430 PROPERTY AND 6440 PROPERTY IN FAVOR OF THE 6420 PROPERTY DESCRIBED ABOVE AS PARCEL 1, AS CREATED BY THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RECIPROCAL EASEMENTS FOR 6420-6440 NORTH HAMLIN AVENUE, LINCOLNWOOD, ILLINOIS DATED JUNE 15, 2009 AND RECORDED JUNE 17, 2009 AS DOCUMENT NUMBER 0916831006 BY 6420 HAMLIN, LLC (DECLARANT) FOR THE PURPOSE OF INGRESS AND EGRESS.

COMMONLY KNOWN AS: 6420 N. HAMLIN AVENUE, LINCOLNWOOD, IL 60712

PIN: 10-35-325-024-0000 (UNDERLYING)

10-35-325-032-0000