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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2013 050561

2013 JUL 12 AM 9:05

MICHAEL B. BROWN
RECORDER

Name: Best Western Inn & Suites
Loan No.: 5737624001

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SUBORDINATION AGREEMENT

THIS AGREEMENT is dated for reference July 19, 2013 and is between **D & R Hotels, LLC**, owner of the land and personal property described in the Mortgage and Security Agreement referenced below ("Owner"), **First State Bank of Porter** ("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 93721-2365 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that certain Mortgage, dated February 6, 2003, to secure a Note in the sum of \$1,009,000 ("SBA Note"). The SBA Mortgage was recorded on February 18, 2003 as Instrument Number 2003-017060 in the Office of the Recorder of Lake County, Indiana; assigned to the US Small Business Administration by an Assignment of Real Estate Mortgage dated February 6, 2003, recorded February 18, 2003 as Instrument Number 2003-017061 in the Office of the Recorder of Lake County, Indiana.

SBA is also the present holder and beneficiary of that certain Security Agreement dated February 6, 2003, assigned to the SBA by an Assignment dated February 6, 2003, as evidenced by a UCC-1 Financing Statement, to further secure the SBA Note. Said UCC-1 Financing Statement was most recently filed on May 28, 2013, as Instrument Number 201300004929343, with the Indiana Secretary of State. (Mortgage, Security Agreement, and UCC-1 Financing Statement collectively referred to as the "SBA Lien Instruments".)

Owner has also executed, or is about to execute, a Mortgage securing a Note in a sum not to exceed \$940,000.00 dated 7-5-2013, in favor of Lender. Lender's Mortgage has been recorded concurrently herewith, on 7-12-2013 as Instrument Number 2013-050560 in the Office of the Recorder of Lake County, Indiana. Owner will also execute a Security Agreement and a UCC-1 Financing Statement will be filed in favor of lender as well. (Mortgage, Security Agreement, and UCC-1 Financing Statement collectively referred to as the "Lender's Lien Instruments".)

As a condition precedent to Lender's performance, the SBA Lien Instruments must be subordinated to the Lender's Lien Instruments. SBA is willing to subordinate the lien of the SBA Lien Instruments provided it retains its lien priority with regard to all other legal or equitable interests in the property.

**FIDELITY NATIONAL
TITLE COMPANY**
Subordination Agreement.doc

92013-1576

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**FIDELITY NATIONAL TITLE
CHESTERTON**

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 Lien Instruments, and any renewals or extensions thereof, shall be a lien on the respective collateral property prior to the lien of the SBA Lien Instruments.
- (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 Lien 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 liens presently superior to the liens of the SBA Lien Instruments plus customary closing costs. Any other use of proceeds not described herein shall void this agreement.
- (5) This Subordination Agreement is void if not duly executed by Owner, Lender, SBA, the SBA Borrower and all Guarantors of the SBA loan.
- (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, 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 liens to the liens 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 Lien Instruments 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 Indiana Statewide Certified Development Corporation (CDC) at 4181 East 96th Street, Suite 200, Indianapolis, IN 46240, Attention: Servicing, and also to the SBA at 801 R Street, Suite 101, Fresno, California 93721-2365.

(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.

(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.

Document is
NOT OFFICIAL
U.S. SMALL BUSINESS ADMINISTRATION
This Document is the property of
the Lake County Recorder!

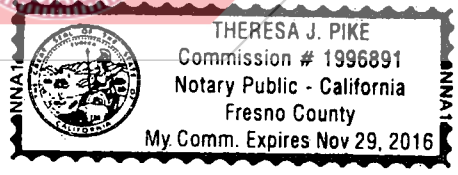
Signature
APPROVED
Printed Name and Title
Michelle Swanson, Supra Clerk

State of California)
County of Fresno)

On June 20 2012 before me, THERESA J PIKE, a Notary Public, personally appeared Michelle Swanson, 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 J PIKE



BORROWER / OWNER: D & R Hotels, LLC

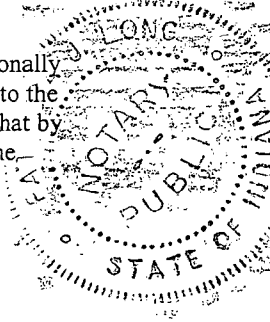
By: [Signature]
Rohit H. Patel, Managing Member

State of Indiana
County of Lake

On 7/1/2013 before me, a Notary Public, personally appeared Rohit H. Patel, Managing Member 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.

Signature Patricia J Long
Printed Name: PATRICIA J LONG

My Commission Expires: 15 May 2015
My County of Residence: Lake



LENDER: First State Bank of Porter

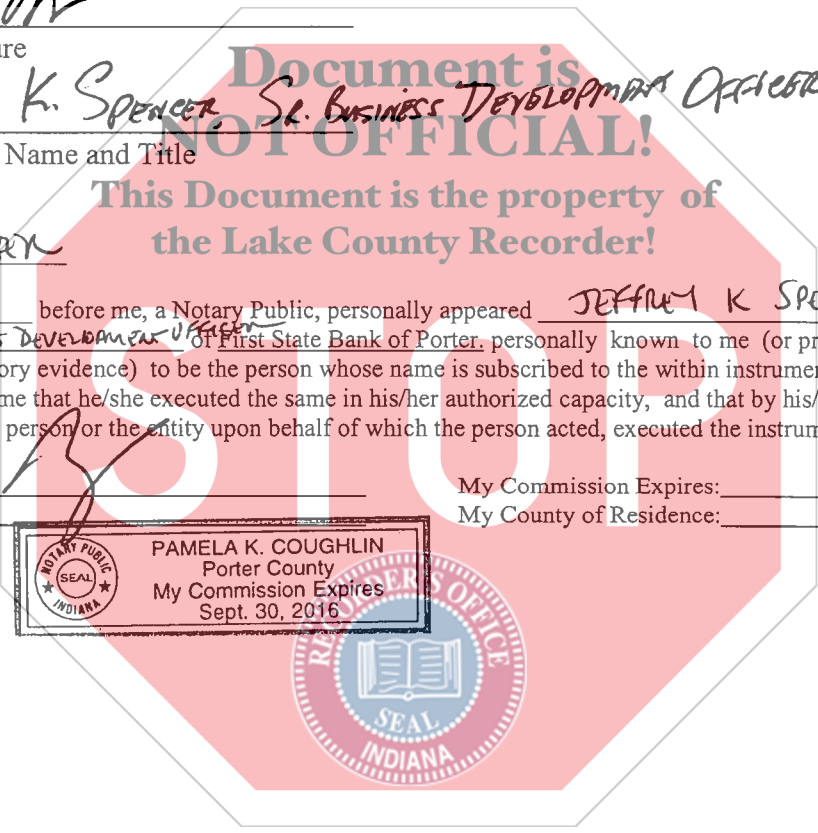
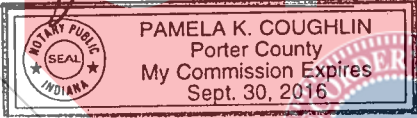
By: [Signature]
Signature
JEFFREY K. SPENCER, Sr. Business Development Officer
Printed Name and Title

State of Indiana
County of Porter

On 7/5/13 before me, a Notary Public, personally appeared JEFFREY K SPENCER the Sr. Business Development Officer of First State Bank of Porter, 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.

Signature [Signature]
Printed Name: _____

My Commission Expires: _____
My County of Residence: _____



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.

BORROWER / OWNER: D & R Hotels, LLC

By: [Signature]
Rohit H. Patel, Managing Member

State of Indiana
County of Lake

On 7/1/2013 before me, a Notary Public, personally appeared Rohit H. Patel, Managing Member 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.

Signature Patricia J Long
Printed Name: PATRICIA J LONG

My Commission Expires: 15 May 2015
My County of Residence: Lake

INDIVIDUAL GUARANTOR:

[Signature]
Rohit H. Patel

State of Indiana
County of Lake

On 7/1/2013 before me, a Notary Public, personally appeared Rohit H. Patel, 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.

Signature Patricia J Long
Printed Name: PATRICIA J LONG

My Commission Expires: 15 May 2015
My County of Residence: Lake

INDIVIDUAL GUARANTOR:

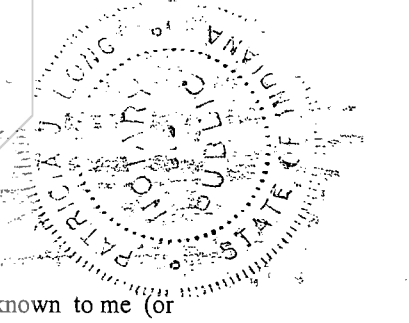
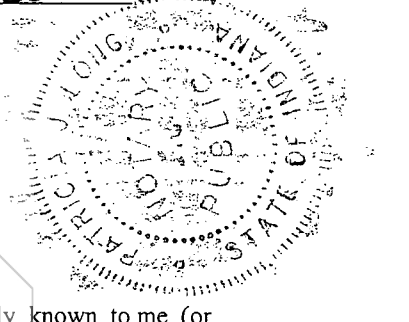
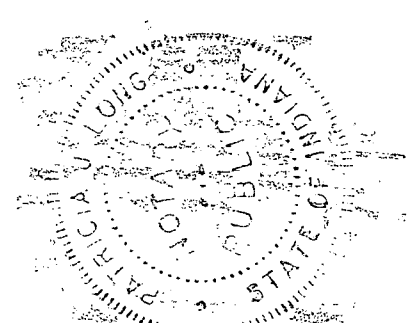
[Signature]
Dipti Patel

State of Indiana
County of Lake

On 7/1/2013 before me, a Notary Public, personally appeared Dipti Patel, 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.

Signature Patricia J Long
Printed Name: PATRICIA J LONG

My Commission Expires: 15 May 2015
My County of Residence: Lake



INDIVIDUAL GUARANTOR:

Dilip B. Patel
Dilip B. Patel

State of ~~Indiana~~ TEXAS
County of WILLIAMSON

On 6/25/13 before me, a Notary Public, personally appeared Dilip B. Patel, 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.

Signature: [Signature]
Printed Name: KYLA SCHULER

My Commission Expires: Oct 16, 2016
My County of Residence: TRAVIS

INDIVIDUAL GUARANTOR:

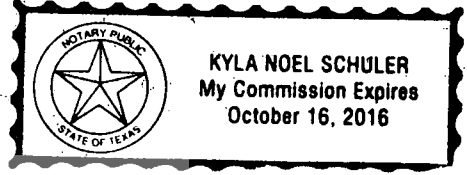
Pragna Patel
Pragna Patel

State of ~~Indiana~~ TEXAS
County of WILLIAMSON

On 6/25/13 before me, a Notary Public, personally appeared Pragna Patel, 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.

Signature: [Signature]
Printed Name: KYLA SCHULER

My Commission Expires: Oct. 16, 2016
My County of Residence: TRAVIS



CORPORATE GUARANTOR: Shiva Investments, Inc.

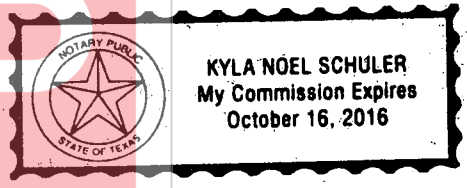
By: [Signature]
Rohit H. Patel, President

State of Indiana
County of Lake

On 7/1/2013 before me, a Notary Public, personally appeared Rohit H. Patel, President 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.

Signature: [Signature]
Printed Name: PATRICIA J LONG

My Commission Expires: 15 May 2015
My County of Residence: Lake



THIS INSTRUMENT WAS PREPARED BY: Amy S. Thurmond, Attorney at Law; 4181 E. 96th St., Ste. 200; Indianapolis, IN 46240.

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law." Amy S. Thurmond, Attorney at Law.

