

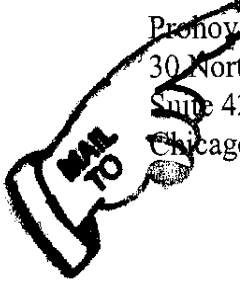
# UNOFFICIAL COPY

This instrument was prepared by and after recording should be returned to:

Fredric B. Prohov  
Prohov & Associates, Ltd.  
30 North LaSalle Street  
Suite 4300  
Chicago, IL 60602



Doc#: 0436319079  
Eugene "Gene" Moore Fee: \$66.50  
Cook County Recorder of Deeds  
Date: 12/28/2004 10:40 AM Pg: 1 of 22



8094442, 607, 016

## SUBORDINATION AGREEMENT

This SUBORDINATION AGREEMENT, dated as of December 23, 2004 (this "Agreement"), is by and among The Housing Partnership Fund, Inc., a Massachusetts non-profit corporation (the "Subordinated Lender"), Hispanic Housing Development Corporation, an Illinois non-profit corporation (the "Borrower"), and MB Financial Bank, N.A., a national banking association (the "Senior Lender").

### WITNESSETH:

**WHEREAS**, the Senior Lender has agreed, on certain conditions, to lend to the Borrower the sum of Seven Million Four Hundred Thousand and No/100 Dollars (\$7,400,000.00) (the "Senior Loan"), which loan is evidenced by that certain Mortgage Note (the "Note") of even date herewith, and secured by a Mortgage, Security Agreement and Financing Statement (the "Senior Mortgage") and Assignment of Contracts, Leases, Rents and Profits ("Senior Assignment of Rents") each of even date herewith encumbering certain real estate legally described in Exhibit "A" attached hereto and made a part hereof (the "Premises") together with security interests granted to the Senior Lender with respect to certain improvements and personal property related thereto (collectively, the "Senior Lender Collateral"); and

**WHEREAS**, the Subordinated Lender has agreed, on certain conditions, to lend to the Borrower the sum of approximately One Million Three Hundred Eighty-Eight Thousand and No/100 Dollars (\$1,388,000.00) (the "Subordinate Loan") which loan is to be evidenced by certain instruments listed on Exhibit "B" attached hereto (the "Subordinate Loan Documents") granted by Borrower to secure the repayment of all obligations evidenced by, or related to, the Subordinated Loan in which the Subordinated Lender has or may have an interest in the Senior Lender Collateral; and

**WHEREAS**, the parties are executing this Agreement to set forth their lien priorities with respect to the Senior Lender Collateral.

**NOW, THEREFORE**, in consideration of the premises, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Definitions.**

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In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

“Affiliate” means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term “control” for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

“Borrower” means the Person named as such in the first paragraph of this Agreement and any other Person (other than Senior Lender) who acquires title to the Premises after the date of this Agreement.

“Business Day” means any day other than Saturday, Sunday or a day on which Senior Lender is not open for business.

“Person” means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own Premises.

“Senior Indebtedness Default” means the occurrence of an “Event of Default” as that term is defined in any of the Senior Loan Documents.

“Senior Loan Documents” means, collectively, the Note, Senior Mortgage, Senior Assignment of Rents and each of the other documents, agreements and instruments granting, evidencing, securing or perfecting security interests granted in connection with the obligations secured by the Mortgage and Assignment of Rents and any and all other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the obligations of Borrower with respect to the Senior Loan, in all cases as such documents, agreements and instruments may be amended, supplemented or restated from time to time.

“Subordinate Indebtedness Default” means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default.

“Subordinate Loan Documents” means the Subordinate Note and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

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“Subordinate Note” means the Promissory Note dated December \_\_, 2004, issued by Borrower to Subordinate Lender to evidence the Subordinate Loan as of the date hereof.

## 2. **Borrower’s and Subordinate Lender’s Representations and Warranties.**

Borrower and Subordinate Lender each make the following representations and warranties to Senior Lender:

(a) **Subordinate Loan Documents.** The Subordinate Loan is evidenced by the Subordinate Note and is secured solely by the Subordinate Loan Documents.

(b) **Subordinate Note.** The Subordinate Note contains the following provision:

“The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a promissory note dated as of December 23, 2004 (the “Senior Loan”), in the original principal amount of \$7,400,000, executed by the Borrower in favor of MB Financial Bank N.A. (the “Senior Lender”) to the extent and in the manner provided in that certain Subordination Agreement dated as of December 23, 2004 between the payee of this Note and Borrower (the “Subordination Agreement”). The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Mortgage, Security Agreement and Financing Statement, Assignment of Contracts, Leases, Rents and Profits securing the Senior Loan as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder’s acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement.”

(c) **Terms of the Subordinate Indebtedness.** The current outstanding balance of the Subordinate Note is One Million Three Hundred Eighty Eight Thousand and no/100 Dollars (\$ 1,388,000.00). Principal and interest payments on the Subordinate Note are due and payable in accordance with the terms of the Subordinated Note (in the form attached within Exhibit “B” hereto).

(d) **Relationship of Borrower to Subordinate Lender.** Subordinate Lender is not an Affiliate of Borrower.

(e) **Subordinate Loan Documents.** The Subordinate Loan Documents are in the exact form attached to this Agreement as part of Exhibit “B.”

## 3. **Deliveries.**

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Borrower shall submit to Senior Lender on the execution date of this Agreement (a) a certification from Borrower and Subordinate Lender to the Senior Lender that the Subordinate Loan Documents do not contain any changes from the form of the Subordinate Loan Documents attached to this Agreement; and (b) a complete set of the executed Subordinate Loan Documents.

## 4. Terms of Subordination.

(a) **Agreement to Subordinate.** Senior Lender and Subordinate Lender agree that (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment and time, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the Senior Loan Documents, and (ii) the Subordinate Loan Documents and the other Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Loan Documents (including but not limited to, all sums advanced for the purposes of protecting or further securing the lien of the Senior Loan Documents, curing defaults by Borrower under the Senior Loan Documents or for any other purposes expressly permitted by the Senior Loan Documents.

(b) **Subordination of Surrogation Rights.** Subordinate Lender agrees that if it intends to pay real estate taxes or other monetary obligations of Borrower, or to exercise any other right or remedy under the Subordinate Loan Documents, it shall give the Senior Lender notice of such intent in writing ("Subordinate Lender Notification") at least sixty (60) days in advance thereof with sufficient particularity of its intent prior to making any such payments of real estate taxes or other monetary obligations or exercising any such rights or remedies (the "Standstill Period") in order to give the Senior Lender sufficient opportunity to assess such Subordinate Lender Notification and preserve its own priority, right or remedy with respect to each and every such matter identified in such Subordinate Lender Notification. In the event thereafter, the Senior Lender does not make payments of the real estate taxes or other monetary obligations, or otherwise elect to pursue its own rights or remedies with respect to those matters specified in such Subordinate Lender Notification and the Subordinate Lender elects to proceed with such intent after the expiration of the Standstill Period, it acquires by right of subrogation or otherwise a lien on the Premises which (but for this subsection) would be senior to the lien of the Senior Loan Documents, then, in that event, such lien, solely to the extent of any such payment of real estate taxes or other monetary obligations made by the Subordinate Lender shall not be subject and subordinate to the lien of the Senior Loan Documents.

(c) **Payments Before Senior Indebtedness Default.** Until Subordinate Lender receives notice (or otherwise acquires actual knowledge) of a Senior Indebtedness Default, Subordinate Lender shall be entitled to retain for its own account all interest payments on the unpaid principal made under or pursuant to the Subordinate Loan Documents. Senior Lender hereby agrees to provide the Subordinate Lender with written notification following the occurrence of a Senior Indebtedness Default.

(d) **Payments After Senior Indebtedness Default.** Borrower agrees that following a Subordinate Lender Notification, (or otherwise has actual knowledge) of a Senior Indebtedness

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Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent. Subordinate Lender agrees that following a Subordinate Lender Notification (or otherwise acquires actual knowledge) of a Senior Indebtedness Default, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent.

(e) **Receipt of Payment Not Permitted Hereunder.** If, after Subordinate Lender receives notice (or otherwise acquires actual knowledge) of a Senior Indebtedness Default, Subordinate Lender receives any payments under the Subordinate Loan Documents, or if Subordinate Lender receives any other payment or distribution of any kind from Borrower or from any other Person in connection with the Subordinate Loan or the Subordinate Loan Documents which Subordinate Lender is not permitted by this Agreement to retain for its own account, Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and unless Senior Lender otherwise notifies Subordinate Lender, will be promptly remitted, in kind, to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of, interest or and other amounts due under Senior Loan Documents in such order and in such manner as Senior Lender shall determine in its sole and absolute discretion. Subordinate Lender hereby irrevocably designates, makes, constitutes and appoints Senior Lender (and all persons designated by Senior Lender) as Subordinate Lender's true and lawful attorney in fact with power to endorse the name of Subordinate Lender upon any checks representing payments referred to in this subsection.

(f) **Notice of Payment.** Subordinate Lender agrees to notify (telephonically, followed by written notice) Senior Lender of Subordinate Lender's receipt from any person other than Borrower of a payment with respect to Borrower's obligations under the Subordinate Loan Documents, promptly after Subordinate Lender obtains knowledge of such payment.

(g) **Agreement Not to Commence Bankruptcy Proceeding.** Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Borrower unless the Subordinate Lender has provided a Subordinate Lender Notification and the Standstill Period has expired.

## 5. **Default under Subordinate Loan Documents.**

(a) **Notice of Default and Cure Rights.** Subordinate Lender agrees to deliver a written notice of each Subordinate Indebtedness Default to Senior Lender within five (5) business days after the occurrence of the Subordinate Indebtedness Default. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Indebtedness Default within the same time period for curing a default which is given to Borrower under the Subordinate Loan Documents, except that Senior Lender's time period for cure shall begin on the date on which it receives notice of the Subordinate Indebtedness Default. All accounts advanced or expended by



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Senior Lender to cure a Subordinate Indebtedness Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by the lien of, the Senior Loan Documents.

(b) **Subordinate Lender May Not Exercise Remedies Until Expiration of Standstill Period.** If a Subordinate Indebtedness Default occurs and is continuing, Subordinate Lender agrees that it will not commence foreclosure proceedings with respect to the Premises under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents, including, but not limited to accelerating the Subordinate Loan (and enforcing any "due on sale" provision included in the Subordinate Loan Documents), collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless or until those matters have been specified in a Subordinate Lender Notification and the Standstill Period associated therewith has expired.

(c) **Effect of Foreclosure by Subordinate Lender.** Subordinate Lender acknowledges that any conveyance or other transfer of title to the Premises pursuant to a foreclosure of the Subordinate Loan Documents, or any deed or assignment in lieu of foreclosure or similar arrangement, shall be subject to the transfer provisions of the Senior Loan Documents.

(d) **Cross Default.** Borrower and Subordinate Lender agree that a Subordinate Indebtedness Default shall, at Senior Lender's option, constitute a Senior Indebtedness Default under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents and this Agreement in the same manner as in the case of any other Senior Indebtedness Default.

## 6. **Default Under Senior Loan Documents.**

(a) **Cross Default.** Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Indebtedness Default shall not constitute a default under the Subordinate Loan Documents (if no other default has occurred under the Subordinate Loan Documents) until either (i) Senior Lender has accelerated the maturity of Senior Indebtedness Loan, or (ii) Senior Lender has taken affirmative action to exercise its rights under the Senior Loan Documents to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale, if any, contained in) the Senior Loan Documents. If at any time Borrower cures any Senior Indebtedness Default to the satisfaction of Senior Lender, any default under the Subordinate Loan Documents arising from such Senior Indebtedness Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such Senior Indebtedness Default had never occurred.

## 7. **Conflict.**

Borrower and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall control. Borrower acknowledges that the terms and provisions of this Agreement shall not be deemed to: (i) extend Borrower's time to cure any

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Senior Indebtedness Default or Subordinate Indebtedness Default, as the case may be; (ii) give Borrower the right to notice of any Senior Indebtedness Default or Subordinate Indebtedness Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents; or (iii) create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

## 8. **Rights and Obligations of Subordinate Lender Under the Subordinate Loan Documents.**

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) **Notices.** Subordinate Lender shall deliver to Senior Lender a copy of each notice which it delivers to Borrower in connection with the Subordinate Loan Documents simultaneously with the delivery of such notice to Borrower. Senior Lender shall deliver to Subordinate Lender a copy of each notice which it delivers to Borrower in connection with the Senior Indebtedness simultaneously with the delivery of such notice to Borrower.

(b) **Protection of Security Interest.** Subordinate Lender shall not in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents or otherwise advance funds pursuant to the Subordinate Loan Documents for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Premises or curing other defaults by Borrower under the Subordinate Loan Documents unless the Subordinate Lender has provided a Subordinate Lender Notification and the Standstill Period has expired. Notwithstanding the foregoing, the Subordinate Lender may appear and defend its interests in any court proceeding to protect its interest in the Premises.

(c) **Condemnation or Casualty.** In the event of (i) a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Premises (collectively, a "Taking"), or (ii) the occurrence of a fire or other casualty resulting in damage to all or a portion of the Premises (collectively, a "Casualty"), at any time or times when the Senior Loan Documents remains a lien on the Premises the following provisions shall apply:

1. Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to the Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by Senior Lender, provided that the Senior Lender shall defer such settlement or adjustment of the claim for a period of sixty (60) days from the date

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Senior Lender gives the Subordinate Lender written notice that such settlement or adjustment is being pursued by the Senior Lender;

2. All proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Senior Indebtedness) in the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Indebtedness, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Indebtedness shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents; and

3. Subordinate Lender agrees to execute and deliver, at no expense to Senior Lender, all documents, instruments, agreements or further assurances reasonably required to effectuate the provisions of this subsection.

(d) **Insurance.** Subordinate Lender agrees that all original policies of insurance required pursuant to the Senior Loan Documents shall be held by Senior Lender. The preceding sentence shall not preclude Subordinate Lender from requiring that it be named as a loss payee, as its interest may appear, under all policies of Premises damage insurance maintained by Borrower with respect to the Premises, provided such action does not affect title priority of payment of the proceeds of Premises damage insurance under the Senior Loan Documents, or that it be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Premises.

(e) **Termination of Subordinate Loan Documents.** If, after the occurrence of a Senior Indebtedness Default, Senior Lender acquires title to the Premises pursuant to a deed in lieu of foreclosure, the lien of the Subordinate Loan Documents shall terminate upon Senior Lender's acquisition of title, provided that (i) Subordinate Lender shall have been given written notice of the Senior Indebtedness Default, and (ii) Subordinate Lender shall not have cured the Senior Indebtedness Default within the 60-day period after its receipt of the notice referred to in clause (i), which notice may be given at any time.

(f) **No Modification of Subordinate Loan Documents.** Subordinate Lender agrees that, until the principal interest on, and all other amounts payable under, the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, (i) amend, modify, increase, extend, renew or replace the Subordinate Loan Documents or (ii) assign any interest in the Subordinate Loan and/or the Subordinate Loan Documents. Any amendment of the Subordinate Loan Documents or assignment of Subordinate Lender's interest in the Subordinate Loan without Senior Lender's consent shall be void ab initio and of no effect whatsoever. Notwithstanding the foregoing, so long as the Subordinate Lender acts as the sole party to service the Subordinate Loan together with any interests therein, the Subordinate Lender may issue



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participating interests among other parties that accept in writing all of the terms of this Agreement and appoint the Subordinate Lender as their attorney-in-fact to serve and act on their behalf and with respect to the matters related to such Subordinate Loan and the respective rights and remedies afforded the Subordinate Lender subject to the terms of this Agreement.

## 9. **Modification of Senior Loan Documents.**

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money.

## 10. **Default by Subordinate Lender.**

If Subordinate Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by Subordinate Lender under this Agreement, Senior Lender shall have the right to all available legal and equitable relief. In addition, Subordinate Lender agrees to indemnify and hold harmless Senior Lender from and against (i) all damage, loss and liability incurred by Senior Lender as a result of such default, and (ii) all costs and expenses (including reasonable, attorney's fees and disbursements) incident to the matters referred to in clause (i), whether or not litigation is commenced.

## 11. **Non-Approval of Subordinate Financing Terms**

This Agreement does not constitute an approval by Senior Lender of the terms of the Subordinate Indebtedness or limit any of Borrower's rights to negotiate the terms of the Subordinate Loan Documents with Subordinate Lender.

## 12. **Notices.**

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which Senior Lender, Subordinate Lender or Borrower is required or permitted to give to any other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered), or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier), or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

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If to Senior Lender:

MB Financial Bank, N.A.  
 6111 North River Road  
 Rosemont, Illinois 60618  
 Attn: Bernard T. Bartilad  
 Telephone: (847) 653-1851  
 Facsimile: (847) 653-0083

With a copy to:

Prohov & Associates, Ltd.  
 30 North LaSalle Street, Suite 4300  
 Chicago, Illinois 60602  
 Attn: Fredric B. Prohov, Esq.  
 Telephone: (312) 807-3965  
 Facsimile: (312) 807-3964

If to Borrower at:

Hispanic Housing Development Corporation  
 325 N. Wells, 8<sup>th</sup> Fl.  
 Chicago, IL 60610  
 Attn: Hipolito Roldan, President

With a copy to:

Miner, Barnhill & Gallard  
 14 West Erie  
 Chicago, IL 60610  
 Attn: Laura Tilly, Esq.  
 Telephone: (312) 751-1170  
 Facsimile: (312) 751-9490

If to Subordinated Lender at:

The Housing Partnership Fund, Inc.  
 160 State Street, 5<sup>th</sup> Floor  
 Boston, MA 02109  
 Attn: Ms. Ginger Mara  
 Telephone: 617-720-1999 ext. 213  
 Facsimile: 617-720-3939

With a copy to:

Brown Rudnick Berlack Israels LLP  
 One Financial Center  
 Boston, MA 02111  
 Attn: Bruce H. Bagdasarian, Esq.  
 Telephone: 617-856-8138  
 Facsimile: 617-856-8201

Any party may, by notice given pursuant to this Section, change the person or persons and/or addresses or addresses, or designate an additional person or persons or an additional address or addresses, for its notices, but notice of a change of address shall only be effective upon receipt. The parties hereto each agree that it will not refuse or reject delivery of any notice given hereunder, that it will acknowledge, in writing, receipt of the same upon request by the other party and that any notice rejected or refused by it shall be deemed for all purposes of this

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Agreement to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

## 13. General.

(a) **Assignment/Successors.** This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Senior Lender and Subordinate Lender.

(b) **No Partnership or Joint Venture.** Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) **Senior Lender's Consent.** Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion.

(d) **Further Assurance.** Upon the demand of Senior Lender from time to time, Subordinate Lender agrees to execute and deliver all additional instruments and/or documents required by Senior Lender in order to evidence that the Subordinate Security Instruments are subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the State of Illinois.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by Senior Lender of title to the Premises pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale containing the Senior Loan Documents; or (iv) the acquisition by Subordinate Lender of title to the Premises pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Subordinate Loan Documents, but only if such acquisition of title does not violate any of the terms of this Agreement.

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(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

[The remainder of this page left intentionally blank.]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

**SENIOR LENDER:**

**MB FINANCIAL BANK, N.A.**, a  
national banking association

By: Bernard T. Bartilad

Name: BERNARD T. BARTILAD

Title: VICE PRESIDENT

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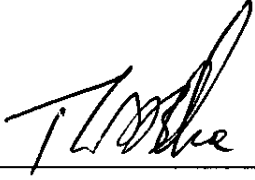


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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

**SUBORDINATE LENDER:**

**THE HOUSING PARTNERSHIP FUND, INC.,**  
a Massachusetts non-profit corporation

By: 

Name: THOMAS BLEDSOE

Title: PRESIDENT

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

**BORROWER:**

**HISPANIC HOUSING DEVELOPMENT CORPORATION**, an Illinois not-for-profit corporation

By: *Roberto Roldan*

Name: *Roberto Roldan*

Title: *Pres.*

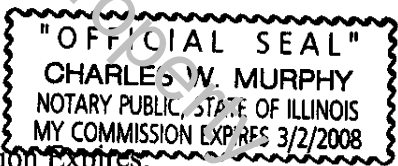
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STATE OF ILLINOIS                    )  
  )SS.  
COUNTY OF COOK                    )

I, Charles W. Murphy, a Notary Public in and for the aforesaid jurisdiction, DO  
HEREBY CERTIFY that Bernard T. Barkiel personally known to me to be the  
Vice President of MB Financial Bank NA, whose name is subscribed to the foregoing  
instrument, appeared before me this day in person, and acknowledge that as such  
Vice President he/she signed and delivered said instrument, as the free and voluntary act and  
deed of said MB Financial Bank NA, for the uses and purposes therein set forth.

Given under my hand and official seal this 22 day of December, 2004.



Charles W. Murphy  
Notary Public

Commission Expires: \_\_\_\_\_

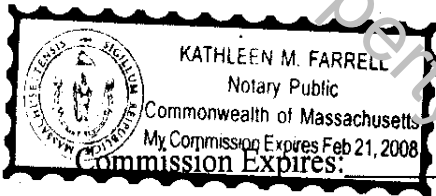
Office of Cook County Clerk's Office

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Commonwealth  
 STATE OF MASSACHUSETTS )  
 )SS.  
 COUNTY OF SUFFOLK )

I, KATHLEEN M. FARRELL, a Notary Public in and for the aforesaid jurisdiction, DO HEREBY CERTIFY that THOMAS BLEDSOE personally known to me to be the PRESIDENT of The Housing Partnership Fund, Inc., a Massachusetts non-profit corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such PRESIDENT he/~~she~~ signed and delivered the said instrument, as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 12<sup>th</sup> day of December, 2004.



Kathleen M. Farrell  
 Notary Public

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# UNOFFICIAL COPY

STATE OF ILLINOIS       )  
  )SS.  
COUNTY OF COOK        )

I, Laura E. Tilly, a Notary Public in and for the aforesaid jurisdiction, DO HEREBY CERTIFY that Hipolito Robb and personally known to me to be the President of Hispanic Housing Development Corporation, an Illinois not-for-profit corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such President he/she signed and delivered the said instrument, as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27 day of December, 2004.

Laura E. Tilly  
\_\_\_\_\_  
Notary Public

Commission Expires: \_\_\_\_\_



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## Exhibit A

*[Affix Legal Description]*

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EXHIBIT A

## PREMISES

### Parcel Identification Numbers:

PARCEL 7: 13-35-226-028-0000  
PARCEL 8: 13-35-226-029-0000  
PARCELS 1-6: 13-35-226-034-0000

### Legal Description:

#### PARCEL 1:

LOT 15 (EXCEPT THE WEST 112 FEET AND 1 ½ INCHES THEREOF) IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### PARCEL 2:

LOT 16 IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### PARCEL 3:

LOTS 17 AND 18 IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### PARCEL 4:

LOT 19 IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### PARCEL 5:

THE NORTH 30 FEET OF LOT 21 (MEASURED ON THE EAST LINE THEREOF) IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### PARCEL 6:

LOTS 20 AND 21 (EXCEPT THE NORTH 30 FEET) IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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**PARCEL 7:**

**THE WEST 56 FEET 1 ½ INCHES OF LOT 15 IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

**PARCEL 8:**

**THE EAST 56 FEET OF THE WEST 112 FEET 1 ½ INCHES OF LOT 15 IN BLOCK 7 IN SHIPMAN, BILL AND MERRILL'S SUBDIVISION OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

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## Exhibit B

### Subordinate Lender Loan Documents:

1. Promissory Note;
2. Loan, Collateral Assignment of Contracts, Licenses and Permits and Security Agreement; and,
3. Hazardous Materials Compliance and Indemnification Agreement.

W:\Shared\MBFinancial\Hispanic Housing Development Corporation\Loan Documents - Version 1\NEW SUBORDINATION AGREEMENT.doc

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