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PREPARED BY
AND WHEN RECORDED MAIL
TO:

Charity & Associates, P.C.
20 N. Clark Street
Suite 1150
Chicago, Illinois 60602
Attn.: Elvin Charity



Doc#: 0720433225 Fee: \$46.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/23/2007 02:17 PM Pg: 1 of 12

SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT (Chicago Housing Authority)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE LIEN OF A MORTGAGE ON THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENTS.

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") is made as of July 20, 2007 by ROOSEVELT SQUARE II LIMITED PARTNERSHIP, an Illinois limited partnership, as mortgagor (the "Borrower"), with a mailing address of c/o Related Midwest LLC, 350 W. Hubbard Street, Suite 300, Chicago, Illinois 60610, owner of the leasehold interest in real property hereinafter described, and the CHICAGO HOUSING AUTHORITY, a municipal corporation organized and existing under the laws of the State of Illinois ("Junior Lienholder"), with a mailing address of 60 East Van Buren, Chicago, Illinois 60605, owner of that certain mortgagee's interest in the mortgage and holder of the note described below, and HARRIS N.A., a national banking association ("Bank"), with a mailing address of 111 W. Monroe, 2nd Floor East, Chicago, Illinois 60603.

Factual Background

A. Junior Lienholder has made or intends to make a loan to Borrower in the principal amount of Sixteen Million Eight Hundred Ninety-One Thousand Two Hundred Four and No/100 Dollars (\$16,891,204.00) (the "Subordinated Loan"). The Subordinated Loan is evidenced by a certain Note dated as of July 20, 2007 (the "Subordinated Note") executed by Borrower to the order of Junior Lienholder. The Subordinated Loan is secured by a certain Subordinate Mortgage Security Agreement and Financing Statement of even date herewith (the "Subordinated Mortgage") to be recorded concurrently herewith encumbering certain leasehold interests in certain real property located in the City of Chicago, County of Cook, State of Illinois ("Property"), more particularly described in Exhibit A attached hereto and made a part hereof, created by those certain Ground Leases, each of even date herewith, between Borrower, as lessee and Junior Lienholder, as lessor (the "Residential Ground Leases"), which Residential Ground Leases are to be recorded concurrently herewith in the Official Records of Cook County, Illinois and that certain Retail Ground Lease, of even date herewith, between

Near North National Title
222 N. LaSalle
Chicago, IL 60601

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26 OF 29
NO1010397 + NO1010996
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Borrower, as lessee, and the Junior Lienholder, as lessor (the "Retail Ground Lease", and collectively with the Residential Ground Lease, the "Ground Leases"), which Retail Ground Lease is to be recorded concurrently herewith in the Official Records of Cook County, Illinois.

B. The Subordinated Note and the Subordinated Mortgage, together with all of their exhibits, and all other documents which evidence, guaranty or secure the Subordinated Loan, collectively constitute the "Subordinated Loan Documents".

C. Junior Lienholder and Borrower desire that Bank make a bridge loan (the "Senior Bridge Loan") to Borrower. The Senior Bridge Loan will be made pursuant to a Construction Loan Agreement of even date herewith between Bank and Borrower (the "Loan Agreement"). The Senior Bridge Loan will be evidenced by the Bridge Loan Note (as defined in the Loan Agreement) of even date herewith (the "Senior Bridge Note") in the principal amount of up to Fifteen Million and No/100 Dollars (\$15,000,000.00) in favor of Bank which will be secured by a mortgage (the "Senior Mortgage") encumbering the Property. The Senior Mortgage is being recorded concurrently herewith.

D. Junior Lienholder and Borrower also desire that Bank make a construction converting to term loan (the "Senior Construction Loan", and together with the Senior Bridge Loan, the "Senior Loans") to Borrower pursuant to the Loan Agreement. The Senior Construction Loan will be evidenced by a Construction Loan Note (as defined in the Loan Agreement) of even date herewith (the "Senior Construction Loan Note", and together with the Senior Bridge Note, the "Senior Notes") in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00) in favor of Bank. The Construction Loan Note will be secured by the Senior Mortgage encumbering the the Borrower's interest in the Property.

E. The Loan Agreement, the Senior Notes and the Senior Mortgage, together with all of their exhibits, and all other documents which evidence, guaranty, secure, or otherwise pertain to the Senior Loans, collectively constitute the "Senior Loan Documents".

F. It is a condition to Bank's making the Senior Loans to Borrower that (i) the Senior Mortgage unconditionally be and remain at all times liens, claims, and charges upon the Property unconditionally prior and superior to the lien, claim, and charge of the Subordinated Mortgage, and (ii) the Subordinated Loan and Subordinated Loan Documents shall, at all times and in all respects, be wholly subordinate and inferior in claim and right to the Senior Loans and Senior Loan Documents.

G. It is to the mutual benefit of the parties that Bank make the Senior Loans to Borrower, and Junior Lienholder is willing that the Senior Mortgage constitute a lien, claim, and charge upon the Property unconditionally prior and superior to the lien, claim, and charge of the Subordinated Mortgage, and that the Subordinated Loan and Subordinated Loan Documents shall, at all times and in all respects, be wholly subordinate and inferior in claim and right to the Senior Loans and Senior Loan Documents.

AGREEMENT

1. **Subordination.** The Senior Mortgage, and any and all renewals, modifications, extensions, or advances thereunder or secured thereby (including interest thereon), is unconditionally and will remain at all times, liens, claims, or charges on the the Borrower's interest in the Property prior and superior to the Subordinated Mortgage. The Subordinated Loan and Subordinated Loan Documents shall, at all times and in all respects, be wholly subordinate and inferior in claim and right to the Senior

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Loans and Senior Loan Documents, and all claims, rights and remedies under the Subordinated Loan and Subordinated Loan Documents are hereby subordinated and made subsequent and inferior to the Senior Loans and Senior Loan Documents and any claims, rights, and remedies arising out of, or in connection therewith.

2. Acknowledgements and Agreements of Junior Lienholder. Junior Lienholder declares, acknowledges, and agrees that:

2.1 Bank would not make the Senior Loans without this Subordination Agreement;

2.2 Junior Lienholder consents to all provisions of the Senior Mortgage and the Senior Loan Documents;

2.3 In making disbursements, Bank is under no obligation or duty to, nor has Bank represented that it will, see to the application of the proceeds of the Senior Loans; and

2.4 Junior Lienholder intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims, and charges of the Subordinated Loan Documents, and all present and future indebtedness and obligations secured thereby, in favor of the Senior Loan Documents and the liens, claims, and charges upon the Property of the Senior Mortgage, and understands that in reliance upon, and in consideration of, this waiver, relinquishment, subjection, and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into, that would not be made or entered into but for Bank's reliance upon this waiver, relinquishment, subjection, and subordination.

3. Notices.

3.1 Bank and Junior Lienholder agree to give to each other copies of all notices of Events of Default under (and as defined in) their respective loan documents.

3.2 All notices given under this Subordination Agreement must be in writing and will be served effectively upon delivery, or if mailed, upon the first to occur of receipt or the expiration of forty-eight (48) hours after deposit in certified United States mail, postage prepaid, sent to the party at its address appearing below. Any party may change those addresses by notice to all other parties.

4. Integration; No Waiver. This Subordination Agreement is the whole and only agreement with regard to the subordination of the liens, claims, and charges of the Subordinated Loan Documents to the Senior Loan Documents. This Subordination Agreement may not be modified or amended except by a written agreement signed by the parties. No waiver shall be deemed to be made by Bank of any of its rights hereunder unless the same shall be in writing signed on behalf of the Bank, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of the Bank or the obligations of Borrower to Bank in any other respect at any other time.

5. Successors and Assigns. This Subordination Agreement is binding on and inures to the benefit of the legal representatives, successors, and assigns of the parties. Bank's successors and assigns include any financial institution which may now, or hereafter, participate in the Senior Loans. Notice of acceptance of this Subordination Agreement is hereby waived and this Subordination Agreement shall be

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binding upon the Junior Lienholder, its legal representatives, successors, and assigns, as the case may be, it being understood and agreed, however, that, unless otherwise agreed in writing by Bank, no assignment of the Subordinated Loan Documents, or any part thereof, shall be made without the prior written consent of the Bank.

6. **Creditor's Rights.** Junior Lienholder agrees not to commence or join with any other creditor of Borrower in commencing any bankruptcy, reorganization, or insolvency proceedings against the Borrower without the prior written consent of Bank.

7. **Attorneys' Fees and Costs.** If any party to this Subordination Agreement brings an action to interpret or enforce its rights under this Subordination Agreement, the prevailing party will be entitled to recover its costs and reasonable attorneys' fees as awarded in the action.

8. **Governing Law.** This Subordination Agreement is governed by the laws of the State of Illinois, without regard to the choice of law rules of that state.

9. **Counterparts.** This Subordination Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK/
SIGNATURE PAGE TO FOLLOW]

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NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE PROPERTY.

"Junior Lienholder"

"Borrower"

CHICAGO HOUSING AUTHORITY,
a municipal corporation organized and
existing in the State of Illinois

**ROOSEVELT SQUARE II LIMITED
PARTNERSHIP,**
an Illinois limited partnership

By: *Sharon East Gilliam*

By: Roosevelt Square Rental II LLC,
an Illinois limited liability company,
its General Partner

Name: Sharon East Gilliam

By: LR ABLA LLC,
a Delaware limited liability company,
its Manager

Title: Chief Executive Officer

Address:

By: LR Development Company LLC,
a Delaware limited liability company,
d/b/a Related Midwest LLC
Its Sole Member

60 E. Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attention: Office of General Counsel
With a copy to:

By: _____
Bradford J. White, Vice President

Daniel E. Levin and The Habitat Company
LLC
350 W. Hubbard Street
Suite 400
Chicago, Illinois 60610
Attn.: Jeffrey D. Head

COOK COUNTY CLERK'S OFFICE

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NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE PROPERTY.

"Junior Lienholder"

CHICAGO HOUSING AUTHORITY,
a municipal corporation organized and
existing in the State of Illinois

By: _____

Name: _____

Title: _____

Address:

60 E. Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attention: Office of General Counsel
With a copy to:

Daniel E. Levin and The Habitat Company
LLC
350 W. Hubbard Street
Suite 400
Chicago, Illinois 60610
Attn.: Jeffrey D. Head

"Borrower"

**ROOSEVELT SQUARE II LIMITED
PARTNERSHIP,**
an Illinois limited partnership

By: Roosevelt Square Rental II LLC,
an Illinois limited liability company,
its General Partner

By: LR ABLA LLC,
a Delaware limited liability company,
its Manager

By: LR Development Company LLC,
a Delaware limited liability company,
d/b/a Related Midwest LLC
Its Sole Member

By: Bradford J. White
Bradford J. White, Vice President


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"Bank"

HARRIS N.A.,
a national banking association

By:



Steven E. Quasny
Vice President

Address:

Harris N.A.
111 West Monroe, 2nd Floor East
Chicago, IL 60603
Attn.: Steven E. Quasny

Property of Cook County Clerk's Office

UNOFFICIAL COPY**EXHIBIT A****ROOSEVELT SQUARE PHASE II RENTAL LEGAL DESCRIPTION**
(inclusive of Retail Space)***North Parcel***

Lots 66, 93, 94, 117, 118, 121, 130, 135, and 138 in Roosevelt Square Subdivision Phase Two, Plat One, being a subdivision of part of the East ½ of the Southwest ¼ of Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-17-332-005, 17-17-333-001, 17-17-333-002, 17-17-333-003, 17-17-333-004 and 17-17-333-005

COMMON ADDRESSES:

LOT 66	1251-1259 W. TAYLOR STREET
LOT 66	1007 S. THROOP STREET
LOT 93	1116 & 1118 S. LYTLE STREET
LOT 93	1115 & 1117 S. THROOP STREET
LOT 94	1250-1256 W. GRENSHAW STREET
LOT 117	1251-1257 W. GRENSHAW STREET
LOT 118	1236-1244 W. ROOSEVELT ROAD
LOT 121	1309 & 1315 W. GRENSHAW STREET
LOT 130	1341 & 1345 W. GRENSHAW STREET
LOT 135	1336-1344 W. ROOSEVELT ROAD
LOT 138	1302-1310 W. ROOSEVELT ROAD

AND

South Parcel (CONTINUED ON NEXT PAGE)

Lots 139, 141, 143, 145, 147, 149, 151, 153, and 160 in Roosevelt Square Subdivision Phase Two, Plat Two, being a subdivision of part of the East ½ of the Northwest ¼ of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-20-102-009, 17-20-102-010, 17-20-102-011, 17-20-102-012, 17-20-102-016, 17-20-102-017, 17-20-102-018, 17-20-102-019, 17-20-102-020, 17-20-102-021, 17-20-102-045, 17-20-102-046, 17-20-102-047, 17-20-102-048 and 17-20-103-046

COMMON ADDRESSES:

LOT 139	1303-1311 & 1317 W. ROOSEVELT ROAD
LOT 141	1333 W. ROOSEVELT ROAD
LOT 143	1354 W. WASHBURNE AVENUE
LOT 145	1342 W. WASHBURNE AVENUE

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LOT 147	1326-1332 W. WASHBURNE AVENUE
LOT 149	1306 & 1314 W. WASHBURNE AVENUE
LOT 151	1256 W. WASHBURNE AVENUE
LOT 153	1246 W. WASHBURNE AVENUE
LOT 160	1224 W. WASHBURNE AVENUE

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All-Purpose Acknowledgement

State of Illinois)

County of Cook)

On July 20, 2007 before me, Evelyn D. Turner,
personally appeared Steven E. Quasny

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE _____
OFFICER(S) _____
TITLES(S) _____
- PARTNER(S)
 - LIMITED
 - GENERAL

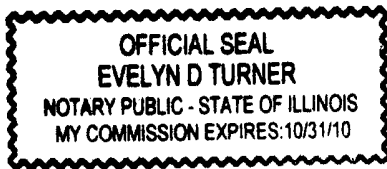
personally known to me OR-

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 persons acted, executed the instrument.

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/
CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR
ENTITY(IES)

Witness my hand and official seal.



Evelyn D. Turner
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT RIGHT:

Title or Type of Document Subordination Agreement

Number of Pages _____ Date of Document July 20, 2007

Signer(s) Other than Named Above _____

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All-Purpose Acknowledgement

State of Illinois

County of Cook

On _____ before me, ^{Margaret A.} Grassano, personally appeared Bradford J. White

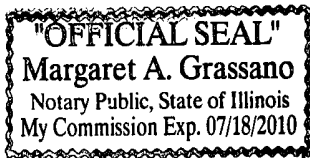
CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE Vice OFFICER(S) President TITLES(S)
- PARTNER(S)
 - LIMITED
 - GENERAL

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 persons acted, executed the instrument.

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/ CONSERVATOR
- OTHER: _____



Witness my hand and official seal.

Margaret A. Grassano

SIGNATURE OF NOTARY

SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(IES)
U.R. Development Company
LLC d/b/a
Related Midwest LLC

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Title or Type of Document _____

Number of Pages _____ Date of Document _____

Signer(s) Other than Named Above _____

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All-Purpose Acknowledgement

State of Illinois)

County of Cook)

On July 20, 2007 before me, Rose Allen,
personally appeared Sharon & William

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER(S) _____
TITLES(S) _____
- PARTNER(S)
 - LIMITED
 - GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/ CONSERVATOR
- OTHER: _____

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 persons acted, executed the instrument.

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)



Witness my hand and official seal.

Rose M. Allen
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT RIGHT:

Title or Type of Document _____

Number of Pages _____ Date of Document _____

Signer(s) Other than Named Above _____