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Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 04/02/2008 02:42 PM Pg: 1 of 10

Elvin E. Charity, Esq.
Charity & Associates, P.C.
20 North Clark Street, Suite 1150
Chicago, Illinois 60602

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SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT (SLHM Mortgage)

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 INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") is made as of April 1, 2008, by and among RENAISSANCE SAINT LUKE SLF, L.P., an Illinois limited partnership (the "Mortgagor"), with a mailing address of 2001 W. Churchill, Chicago, Illinois 60647, the owner of the fee simple interest in real estate hereinafter described, SAINT LUKE HOUSING MINISTRIES, an Illinois not-for-profit corporation ("Junior Lienholder"), with a mailing address of 1500 W. Belmont Avenue, Chicago, Illinois 60647, 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 West Monroe Street, Chicago, Illinois 60603.

Factual Background

- A. Mortgagor is the owner of fee simple title in and to the land (the "Land") located at 1501 Melrose Street, in Chicago, Illinois, as more particularly described in Exhibit A attached hereto and made a part hereof.
- B. Mortgagor proposes to construct, furnish, equip and operate on the Land a low-income housing development project consisting of a building (the "Building," and, together with the Land, the "Property") containing approximately one hundred seven (107) residential dwelling units.
- C. Junior Lienholder has all right, title and interest in and to a loan made by Junior Lienholder to the Mortgagor in the principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Subordinated Loan") The Subordinated Loan is evidenced by a certain promissory note (the "Subordinated Note") executed by the Mortgagor to the order of Junior Lienholder. The Subordinated Loan is secured by a certain Junior Mortgage, dated as of April 1, 2008 (the "Subordinated Mortgage"), executed by Mortgagor in favor of Junior Lienholder to be recorded concurrently herewith encumbering the fee simple interest in the Property.

received
[Signature]

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D. 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."

E. Junior Lienholder and the Mortgagor desire that Bank issue its letter of credit in the amount of \$14,033,288 (the "Letter of Credit") pursuant to that certain Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement") of even date herewith between the Mortgagor and Bank to provide security and liquidity for the City of Chicago's Variable Rate Demand Multi-Family Housing Revenue Bonds (Saint Luke Renaissance at Greenview Place Project), Series 2008, in the aggregate principal amount of \$13,900,000 (the "Bonds").

F. The proceeds of the Bonds and the Subordinated Loan are to be applied to the costs of constructing the Building.

G. The Mortgagor's obligations (hereinafter referred to as the "Senior Loan") to reimburse the Bank for draws made under the Letter of Credit and to pay certain costs and fees is evidenced by the Reimbursement Agreement will be secured by a first priority mortgage (the "Senior Mortgage") executed by Mortgagor in favor of Bank. The Senior Mortgage is being recorded concurrently herewith. The Reimbursement Agreement, the Letter of Credit and the Senior Mortgage, together with all of their exhibits, and all other documents which evidence, guaranty, secure, or otherwise pertain to the Senior Loan, collectively constitute the "Senior Loan Documents."

H. It is a condition to Bank's issuing the Letter of Credit that (i) the Senior Mortgage unconditionally be and remain at all times a lien, claim, and charge upon the Property unconditionally prior and superior to the liens, claims, and charges 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 Loan and Senior Loan Documents.

I. It is to the mutual benefit of the parties that Bank issue the Letter of Credit, and Junior Lienholder is willing that the Senior Mortgage constitute a lien, claim, and charge upon the Property unconditionally prior and superior to the liens, claims, and charges 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 Loan 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), are unconditionally and will remain at all times, a lien, claim, or charge on 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 Mortgage and Senior Loan Documents, and all claims, rights and remedies therefor are hereby subordinated and made subsequent and inferior to the Senior Mortgage and Senior Loan Documents and any claims, rights, and remedies arising out of, or in connection therewith. So long as the Senior Loan Documents are in full force and effect, in the event of any conflict between the provisions of the Subordinated Loan Documents and those of the Senior Loan Documents, the provisions of the Senior Loan Documents shall control. Any waiver or forbearance by the Bank of any right or remedy under the Senior Loan Documents shall not impair the priority of its respective lien under the Senior Loan Documents.

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

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

2.2 Junior Lienholder intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims, and charges of the Subordinated Documents, and all present and future indebtedness and obligations secured thereby, in favor of the Senior Loan Documents and the lien, claim, and charge 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.

2.3 The payment of the Subordinated Loan is hereby and shall remain subordinated in right of priority and payment to the prior payment in full of the Obligations evidenced by the Reimbursement Agreement and the other Senior Loan Documents. If, prior to the payment in full of the principal amount of the Obligations and all interest accruing thereon, the Junior Lienholder receives any principal prepayment of the Subordinated Loan without the prior consent of Bank, the Junior Lienholder agrees that such payment will be received and held in trust for the Bank, and unless the Bank otherwise notifies the Junior Lienholder, will be promptly remitted, to the Bank. The Junior Lienholder hereby irrevocably designates, makes, constitutes and appoints the Bank (and all persons designated by the Bank) as the Junior Lienholder's true and lawful attorney in fact with power to endorse the name of the Junior Lienholder upon any checks representing payments referred to in this Section 2.3.

2.4 The Junior Lienholder agrees that, as long as any portion of the Obligations remains outstanding, it will not commence, or join with any other creditor in commencing, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to the Mortgagor or any general partner of the Mortgagor, without the Bank's prior written consent.

2.5 The Junior Lienholder agrees to deliver a written notice of each default under any document evidencing the Subordinated Loan to the Bank within three (3) days after the occurrence of such default.

2.6 If a default occurs and is continuing under any document evidencing the Subordinated Loan, the Junior Lienholder agrees that, without the Bank's prior written consent, it will not commence or exercise any rights or remedies it may have under any Subordinated Loan Documents until the payment in full of the principal amount of the Obligations and all interest accruing thereon, including, but not limited to, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies.

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.

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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 Mortgagor 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 Loan Documents. Notice of acceptance of this Subordination Agreement is hereby waived and this Subordination Agreement shall be 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 Mortgagor in commencing any bankruptcy, reorganization, or insolvency proceedings against the Mortgagor 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.
10. **Release.** This Subordination Agreement shall be terminated and released by the Bank upon the payment and performance of all of the Mortgagor's obligations under the Reimbursement Agreement and the other Senior Loan Documents.

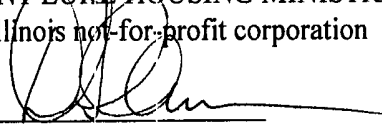
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IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed and delivered as of the day and year first above mentioned.

"Junior Lienholder"

SAINT LUKE HOUSING MINISTRIES,
an Illinois not-for-profit corporation

By: 
Name: David G. Abrahamson
Title: President

Address:

1500 W. Belmont Avenue
Chicago, Illinois 60647
Attn.: Pastor

Copies of notices also sent to:

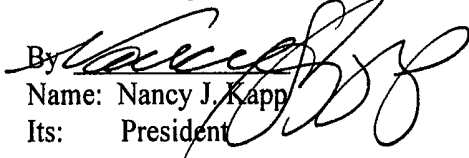
Chuhak & Tecson PC
30 S. Wacker Drive
26th Floor
Chicago, Illinois 60606
Attention: Andrew P. Tecson

"Mortgagor"

RENAISSANCE SAINT LUKE SLF L.P.,
an Illinois limited partnership

By: RRG RENAISSANCE SAINT LUKE SLF LLC,
an Illinois limited liability company, its general partner

By: RRG DEVELOPMENT, INC.,
an Illinois corporation, its manager

By: 
Name: Nancy J. Kapp
Its: President

Address:

2001 W. Churchill
Chicago, Illinois 60647
Attn.: Nancy J. Kapp

Copies of notices also sent to:

Applegate & Thorne-Thomsen, P.C.
322 South Green Street
Chicago, Illinois 60607
Attention: Mark Burns

and

NEF Assignment Corporation
120 S. Riverside Plaza; Suite 1500
Chicago, Illinois 60602
Attention: Chief Legal Counsel

[Additional Signatures Follow]

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"Bank"

HARRIS N.A., a national banking association

By: Katherine B. Mazzocco

Name: Katherine B. Mazzocco

Title: Vice President

Address:

111 West Monroe, 2nd Floor – East

Chicago, Illinois 60603

Attention: Katherine Mazzocco

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EXHIBIT "A"

Legal Property Description

THAT PART OF LOTS 50 TO 62, AND CERTAIN VACATED EAST-WEST AND NORTH-SOUTH ALLEYS, IN KEMNITZ AND WOLFF'S SUBDIVISION OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 56 IN KEMNITZ AND WOLFF'S SUBDIVISION AFORESAID; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG THE NORTH LINE OF SAID LOTS 56 TO 62, BEING ALSO THE SOUTH LINE OF WEST MELROSE STREET, A DISTANCE OF 163.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 127.33 FEET; THENCE SOUTH 44 DEGREES 56 MINUTES 24 SECONDS EAST, A DISTANCE OF 19.69 FEET (MEASURED AS SOUTH 45 DEGREES 05 MINUTES 38 SECONDS EAST, 19.73 FEET) TO THE SOUTH LINE OF THE VACATED ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOTS 50 TO 52; THENCE SOUTH 89 DEGREES 59 MINUTES 37 SECONDS EAST (MEASURED AS SOUTH 89 DEGREES 59 MINUTES 36 SECONDS EAST) ALONG THE SOUTH LINE OF SAID VACATED ALLEY, A DISTANCE OF 195.22 FEET; THENCE NORTH 00 DEGREES 04 MINUTES 40 SECONDS WEST, A DISTANCE OF 63.14 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 20 SECONDS EAST, A DISTANCE OF 104.00 FEET TO THE EAST LINE OF SAID LOT 50; THENCE NORTH 00 DEGREES 04 MINUTES 40 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 50, BEING ALSO THE WEST LINE OF NORTH GREENVIEW AVENUE, A DISTANCE OF 78.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 50; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID LOTS 50 TO 55, BEING ALSO THE SOUTH LINE OF WEST MELROSE STREET, A DISTANCE OF 150.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PINS:

14-20-328-013-0000
14-20-328-014-0000
14-20-328-015-0000
14-20-328-016-0000
14-20-328-017-0000
14-20-328-018-0000
14-20-328-027-0000, affects vacated alley and other property
14-20-328-044-0000, affects vacated alley and other property
14-20-328-045-0000

Common Address: 1501 W. Melrose Street, Chicago, IL

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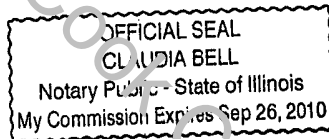
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Claudia Bell, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David G. Abrahamson who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the President of Saint Luke Housing Ministries, an Illinois not-for-profit corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein.

Given under my hand and notarial seal this 2nd day of April, 2008

Claudia Bell
Notary Public

My Commission Expires:



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STATE OF ILLINOIS)
)
) SS
 COUNTY OF COOK)

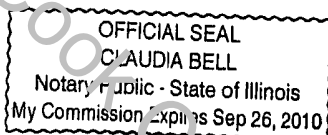
I, Claudia Bell, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Nancy J. Kapp, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the President of RRG Development, Inc., an Illinois corporation, the managing member of RRG Renaissance Saint Luke SLF, LLC, an Illinois limited liability company, the general partner of Renaissance Saint Luke SLF, L.P., an Illinois limited partnership, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein.

Given under my hand and notarial seal this 2nd day of April, 2008.

Claudia Bell

 Notary Public

My Commission Expires:

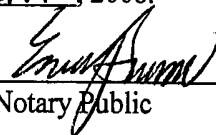


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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

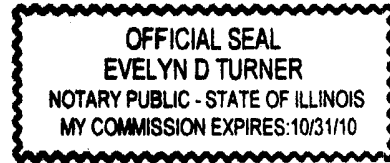
I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Katherine B. Mazzocco, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Vice President of Harris N.A., a national banking association, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein.

Given under my hand and notarial seal this 1 day of April, 2008.



Notary Public

My Commission Expires:



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