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Prepared By:
ALLEN C. WESOLOWSKI
MARTIN & KARCAZES, LTD.
161 N. Clark - #550
Chicago, Illinois 60601

Mail to:
NORTH COMMUNITY BANK
3639 N. Broadway
Chicago, Illinois 60613



Doc#: 0815645138 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 06/04/2008 01:08 PM Pg: 1 of 9

REAFFIRMATION OF SUBORDINATION AGREEMENT

REAFFIRMATION OF SUBORDINATION AGREEMENT made as of this 16th day of May, 2008, by and between 2930 NORTH SHERIDAN LLC and 3033 NORTH SHERIDAN LLC, limited liability companies, (collectively, the "Borrower"), MW HOUSING PARTNERS III, L.P., a California limited partnership (the "Subordinate Lender") and North Community Bank, an Illinois banking corporation, (the "Senior Lender").

WITNESSETH:

BOX 15

This Agreement is based upon the following recitals:

A. On November 16, 2006, for full value received, Borrower executed and delivered to Lender a promissory note in the note amount of \$/2,360,000.00 and a promissory note in the note amount of \$4,035,000.00 (hereinafter collectively called the "Senior Note") in accordance with a Construction Loan Agreement dated November 16, 2006, between Borrower and Lender (the "Construction Loan Agreement")

B. 2930 NORTH SHERIDAN LLC secured the obligations under the Senior Note by granting to Lender a certain Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded as Document No. 0632434090 with the Cook County Recorder of Deeds (hereinafter called the "2930 Mortgage") and an Assignment of Leases and Rents, recorded as Document No. 0632434091 with the Cook County Recorder of Deeds covering certain improved real property at 2930 N. Sheridan Road, Chicago, County of Cook, State of Illinois, and legally described below (hereinafter called the "2930 Mortgaged Premises"):

LOT "A" (EXCEPT THAT PART THEREOF TAKEN AND DEDICATED FOR SHERIDAN ROAD) AND LOTS 1, 2 AND 3 ALL IN BLOCK 2 IN GILBERT HUBBARD'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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PIN: 14-28-118-012-0000 and 14-28-118-013-0000

C. 3033 NORTH SHERIDAN LLC secured the obligations under the Senior Note by granting to Lender a certain Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded as Document No. 0632434092 with the Cook County Recorder of Deeds (hereinafter called the "3033 Mortgage") and an Assignment of Leases and Rents, recorded as Document No. 0632434093 with the Cook County Recorder of Deeds covering certain improved real property at 3033 N. Sheridan Road, Chicago, County of Cook, State of Illinois, and legally described below (hereinafter called the "3033 Mortgaged Premises"):

THE WEST 1.5 FEET OF LOT 2 IN THE SUBDIVISION OF LOTS 2 AND 3 AND ACCRETIONS IN LAKE FRONT ADDITION IN THE NORTHEAST FRACTIONAL QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WEST OF THE WEST LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE ENTERED IN CASE NO. 256886 IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT OF SAID SUBDIVISION OF LOTS 2 AND 3 AND RECORDED SEPTEMBER 6, 1912 AS DOCUMENT 5038117, IN COOK COUNTY, ILLINOIS.

PIN: 14-28-202-001-0000 and 14-28-202-002-0000

D. Robert Kroupa, Jr. executed a Guaranty of Payment and Completion dated November 16, 2006 in favor of Lender (the "Guaranty") securing the promissory note dated November 16, 2006 in the note amount of \$4,035,000.00 executed by Borrower.

E. The Note, Construction Loan Agreement, 2930 Mortgage, 2930 Assignment of Rents, 3033 Mortgage, 3033 Assignment of Rents, and Guaranty are collectively referred to as the "Senior Loan Documents."

F. Subordinate Lender has made a loan to Borrower in the original principal amount of \$17,420,000.00 (the "Subordinate Loan"). The Subordinate Loan is evidenced by, among other things, a Loan Agreement and Promissory Note dated November 16, 2006 and is secured by, among other things, a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing on the 2930 Mortgaged Premises and the 3033 Mortgaged Premises executed by Borrower in favor of Subordinate Lender and recorded with the Cook County Recorder of Deeds as Document No. 0632434094, as amended pursuant to a First Amendment to Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing recorded on February 14, 2008, as Document No. 0804509031 (as amended, the "Subordinate Mortgage"). The Loan Agreement, Promissory Note and Subordinate Mortgage are collectively referred to as the "Subordinate Loan Documents."

G. The parties hereto have executed a Subordination Agreement recorded as Document No. 0632434095 with the Cook County Recorder of Deeds (the "Subordination

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Agreement”) setting forth terms of subordination between the Senior Lender and the Subordinate Lender, with Borrower acknowledging and approval the terms of the Subordination Agreement.

H. The obligations under the Senior Loan Documents and the Subordinate Loan Documents have matured as of May 16, 2008 and the parties hereto have agreed to modify the Senior Loan Documents and Subordinate Loan Documents on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby mutually agree as follows:

1. The Senior Note shall be renewed and modified as evidenced by a replacement promissory note dated May 16, 2008 in the note amount of \$57,600,000.00 executed by Borrower in favor of Lender (the “Renewal Note”), a Modification Agreement dated May 16, 2008 with respect to the 2930 Sheridan Mortgage, a Modification Agreement dated May 16, 2008 with respect to the 3033 Sheridan Mortgage, and a First Amendment to the Construction Loan Agreement dated May 16, 2008 executed by Senior Lender, Borrower and Guarantor (collectively, the “Senior Renewal Documents”).
2. The Subordinate Loan shall be renewed and modified as evidenced by a First Amendment to Loan Documents dated May 16, 2008 (the “First Amendment”) executed by Borrower and Subordinate Lender and the documents identified therein (collectively the “Subordinate Renewal Documents.”
3. Subordinate Lender hereby consents to the modification of the Senior Loan Documents as evidenced by the Senior Renewal Documents.
4. Senior Lender hereby consents to the modification of the Subordinate Loan Documents as evidenced by the Subordinate Renewal Documents.
5. Subordinate Lender hereby acknowledges and affirms that, except as provided for in Section 2.6.1 of the First Amendment with respect to the payment of interest to Subordinate Lender upon the exhaustion of any interest reserve under the Subordinate Loan Documents or the payment of construction cost overruns, Subordinate Lender subordinates its rights to receive payments from Borrower and the Guarantor of any and all amounts owing under the Subordinate Loan Documents as amended by the Subordinate Renewal Documents to Senior Lender’s right to receive payments from Borrower and Guarantor of any and all amounts owing under the Senior Loan Documents as amended by the Senior Renewal Documents, including the right to funds in the Cash Collateral Account established pursuant to the terms of the First Amendment, as such subordination is further described in Section 1.2 of the Subordination Agreement.
6. The terms and provisions of the Subordination Agreement, except as expressly modified herein, shall remain in full force and effect.

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IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

2930 NORTH SHERIDAN LLC,
an Illinois limited liability company

By: _____
Robert Kroupa, Jr., Member

3033 NORTH SHERIDAN LLC,
an Illinois limited liability company

By: _____
Robert Kroupa, Jr., Member

MW HOUSING PARTNERS III, L.P., a
California limited partnership

By: MW Housing Management III, LLC, a
California limited liability company, its
General Partner

By: WPI CP Investments III LLC, a Washington
limited liability company, its Co-Manager

By: Weyerhaeuser Realty Investors, Inc., a
Washington corporation, its Manager

By: *A. D...*
Name: Steve Derendinger
Title: Vice-President

By: *John M Richards*
Name: JOHN M. RICHARDS
Title: ASST VICE PRESIDENT

NORTH COMMUNITY BANK, Lender:

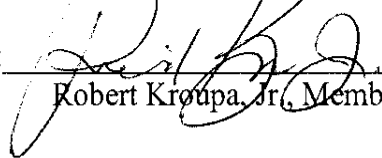
By: _____
Its

Property of Cook County Clerk

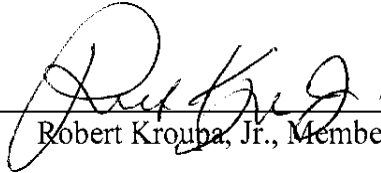
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IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

2930 NORTH SHERIDAN LLC,
an Illinois limited liability company

By: 
Robert Kroupa, Jr., Member

3033 NORTH SHERIDAN LLC,
an Illinois limited liability company

By: 
Robert Kroupa, Jr., Member

MW HOUSING PARTNERS III, L.P., a
California limited partnership

By: MW Housing Management III, LLC, a
California limited liability company, its
General Partner


By: WR CP Investments III LLC, a Washington
limited liability company, its Co-Manager

By: Weyerhaeuser Realty Investors, Inc., a
Washington corporation, its Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

NORTH COMMUNITY BANK, Lender:

By: 
Its ATTORNEY

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that ROBERT KROUPA, JR., known to me to be the same person whose name is subscribed to the foregoing instrument as the Sole Member of 2930 North Sheridan LLC and as the Sole Member of 3033 North Sheridan LLC, 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 limited liability companies, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of May, 2008.

Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, Tim R. Bextel, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Steve Denenberg and M/S _____, the Vice President and _____, respectively, of Weyerhaeuser Realty Investors, Inc., a Washington corporation (the "Corporation"), who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such Vice-President and _____, appeared before me this day in person and acknowledged that ~~they~~ ^{HE} signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of the Corporation in its capacity as the manager of WRI CP INVESTMENTS III, LLC, the Washington limited liability company that is the manager of MW Housing Management III, LLC, the California limited liability company that is the General Partner of MW Housing Partners III, L.P., for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16 day of May, 2008.

Tim R. Bextel
Notary Public



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that ROBERT KROUPA, JR., known to me to be the same person whose name is subscribed to the foregoing instrument as the Sole Member of 2930 North Sheridan LLC and as the Sole Member of 3033 North Sheridan LLC, 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 limited liability companies, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of May, 2008.

Notary Public

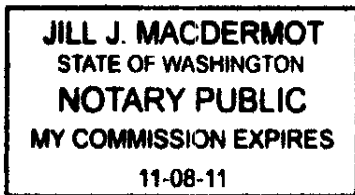
STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

I, JILL MACDERMOT, a Notary Public in and for said County, in the State aforesaid, do hereby certify that LYNN M. RICHARDS and N/A, the ASST. VICE PRESIDENT and N/A, respectively, of Weyerhaeuser Realty Investors, Inc., a Washington corporation (the "Corporation"), who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such ASST. VICE PRESIDENT and N/A, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of the Corporation in its capacity as the manager of WRI CP INVESTMENTS III, LLC, the Washington limited liability company that is the manager of MW Housing Management III, LLC, the California limited liability company that is the General Partner of MW Housing Partners III, L.P., for the uses and purposes therein set forth.

Given under my hand and notarial seal this 15 day of May, 2008.

Jill Macdermot

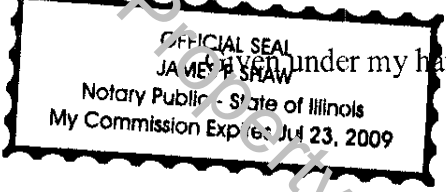
Notary Public



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that ROBERT KROUPA, JR., known to me to be the same person whose name is subscribed to the foregoing instrument as the Sole Member of 2930 North Sheridan LLC and as the Sole Member of 3033 North Sheridan LLC, 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 limited liability companies, for the uses and purposes therein set forth.



under my hand and notarial seal this 16th day of May, 2008.

Notary Public

STATE OF WASHINGTON)
) SS.
COUNTY OF _____

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ and _____, the _____ and _____, respectively, of Weyerhaeuser Realty Investors, Inc., a Washington corporation (the "Corporation"), who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such _____ and _____, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of the Corporation in its capacity as the manager of WRI CP INVESTMENTS III, LLC, the Washington limited liability company that is the manager of MW Housing Management III, LLC, the California limited liability company that is the General Partner of MW Housing Partners III, L.P., for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of May, 2008.

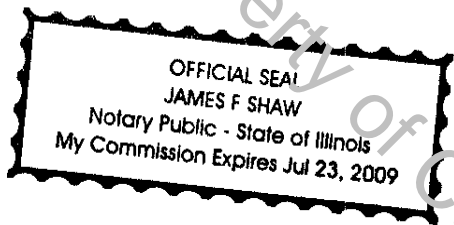
Notary Public

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that on this day personally appeared before me, ALLEN C WESOLOWSKI personally known to me to be the same person whose name is subscribed to the foregoing instrument and personally known to me to be COUNSEL To President and an authorized agent of, NORTH COMMUNITY BANK and acknowledged that he signed and delivered the said instrument as his free and voluntary act and deed, and as the free and voluntary act of said corporation for the uses and purposes set forth.

Given under my hand and notarial seal this 16th day of May, 2008.



[Signature]
Notary Public

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