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Doc#: 0822410064 Fee: \$56.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 08/11/2008 02:02 PM Pg: 1 of 11

Doc#: 0822110105 Fee: \$56.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/08/2008 01:19 PM Pg: 1 of 11

This document prepared by and after recording return to:
Judith A. El-Amin, Esq.
Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the day of August 4, 2008 between the City of Chicago by and through its Department of Planning and Development (the "City"), The PrivateBank and Trust Co., (the "Lender").

WITNESSETH:

WHEREAS, 5007 Lawndale Corporation, an Illinois corporation (the "Developer" or "Borrower"), acquired certain property within the Redevelopment Area generally located at 3606-3656 West 51st Street and 4945-5059 South Lawndale Avenue, Chicago, Illinois 60632 and legally described on Exhibit A hereto (the "Property") and shall complete construction of the following, collectively referred to herein as the "Facility" approximately 181 new residential units with a total living area of approximately 29,117 square-feet, with buildings that will include Market-Rate Units and Affordable Units, all of which will comply with the Chicago Standard Energy Star rating, and a parking pad space or a garage will be provided for each residential unit. The Market-Rate Units will include, eighty-nine (89) three-bedroom single family homes, twenty-one (21) four-bedroom townhomes and thirty-five (35) three bedroom townhomes. The number of Market-Rate Units may vary in the event that Developer combines more than one unit into a larger unit or constructs more smaller units. The Affordable Units, which shall be subject to a City Recapture Mortgage, will represent at least 20% of the total number of Market-Rate Units. The Affordable Units will include eight four-bedroom townhomes, ten three bedroom townhomes, six one-bedrooms condominium units, four two-bedrooms condominium units, and eight three-bedrooms condominium units. In addition, the Developer will establish a standard Chicago-style grid system by the public dedication of West 50th Place, West 50th Street, South Millard and South Central Park Avenue, plus two east-west alleys and two north-south alleys

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(the "Road Work"). The Facility and related improvements are collectively referred to herein as the "Project."

WHEREAS, as part of obtaining financing for the Project, the Developer has entered into a certain Construction Loan Agreement dated as of June 28, 2006 with the Lender pursuant to which the Lender has agreed to: i) make a loan to the Borrower in an amount not to exceed Sixteen Million Two Hundred and Six Thousand Dollars (\$16,206,000) (the "Loan 1") which is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note 1"); ii) make a revolving loan to the Borrower in an amount not to exceed Ten Million Dollars (\$10,000,000) (the "Loan 2") which is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note 2"); and make a CRA Investment Loan to the Borrower in the amount not to exceed One Million Dollars (\$1,000,000) (the "Loan 3"), which is evidenced by a CRA Investment Note, and executed by the Borrower in favor of Lender (the "Note 3") and guaranteed by the principals of the Borrower and cross-collateralized with the Property. The repayment of the Loans are secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loans referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 and 8.20 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit any of the Lender's other rights or other priorities under the Loan Documents, including without limitation the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein. Furthermore, nothing herein shall have any effect

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whatsoever on the respective rights, obligation and covenants of the Lender and the City under that certain Redevelopment Agreement dated as of August 5, 2008. The liabilities and obligations of the Lender with respect to the City Encumbrances and the City Agreements shall be as set forth in Section 16 of the Redevelopment Agreement.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein. Failure of either party to deliver such notices or waivers shall in no instance alter the rights or remedies of such party under the Loan Documents or the City Agreements.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If to the City:

City of Chicago Department of Planning and
Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

With a copy to:

City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

If to the Lender:

The PrivateBank and Trust Company
10 N. Dearborn Street
Chicago, Illinois 60602
Attention: James Wagner
Fax No. (312) 683-1887

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With a copy to:

Deutsch, Levy & Engel, Chtd.
225 W. Washington St., Suite 1700
Chicago, Illinois 60606
Attention: Alvin J. Helfgot
Fax No. (312) 346-1859

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

The PrivateBank and Trust Company

By:

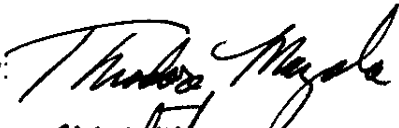
Its: Managing Director

CITY OF CHICAGO

By: _____

Its: Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
4th DAY OF AUGUST, 2008
5007 LAWNDALE CORPORATION
an Illinois corporation

By: 
Its: president

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER]

By:

Its: _____

CITY OF CHICAGO

By: *Arnold Karball*
Its: Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, ____

a _____

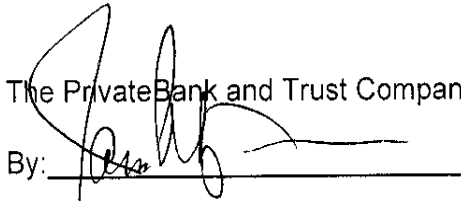
By:

Its:

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

The Private Bank and Trust Company
By: 
Its: Managing Director

CITY OF CHICAGO

By:
Its: _____ Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, ____

[Developer], a _____

By:

Its:

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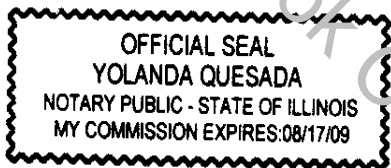
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Annella Randall personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such she Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 4 day of Aug, 2008

Notary Public Yolanda Quesada

(SEAL)



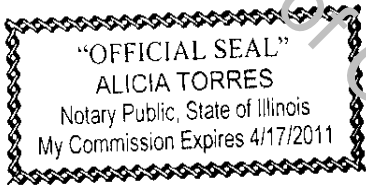
Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, The Undersigned, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT James Wagner, personally known to me to be the Managing Director of The PrivateBank and Trust Company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of
July 2008.



Alicia Torres

My Commission Expires

(SEAL)

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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EXHIBIT A - LEGAL DESCRIPTION

That part of the south half of the east quarter of the northwest quarter of Section 11, Township 38 North, Range 13, East of the Third Principal Meridian, described as follows: beginning at the intersection of the west line of the east 116.0 feet of said south half with the south line of said south half; thence north along the west line of said east 116.0 feet, a distance of 1,185.73 feet to a point, which is 18 feet southeasterly, by radial measurement, of the centerline of the east bound main track of the Indiana Harbor Belt Railroad; thence southwesterly along a straight line which forms an angle of 73 degrees, 40 minutes, 30 seconds from south to southwest, with the last described line, a distance of 311.12 feet to the intersection of said line with a curved line, convex to the northwest and having a radius of 636.80 feet, said curved line being the northwesterly line of a 66-foot wide strip

of land conveyed to the Terminal Railroad Company, described in Document 2471256, recorded December 4, 1896, and in other deeds, said point of intersection being 18.00 feet southeasterly, by radial measurement, of the centerline of the east bound main track of the Indiana Harbor Belt Railroad; thence southwesterly along said curved line, an arc distance of 290.41 feet, the chord of said curved line being 287.90 feet and forms an angle of 134 degrees 51 minutes from northeast to south to southwest, with the last described line; thence west along a line drawn from said point to a point in the west line of said south half of the east quarter of the northwest quarter which is 844.62 feet north of the southwest corner of said south half of the east quarter of the northwest quarter, a distance of 116.90 feet; thence south along the west line of said south half of the east quarter of the northwest quarter, a distance of 844.62 feet to the aforesaid southwest corner; thence east along the south line of said south half of the east quarter of the northwest quarter, a distance of 552.30 feet to the place of beginning, excepting therefrom the west 33.00 feet thereof taken for South Lawndale Avenue and also excepting the south 33.00 feet thereof taken for West 51st Street; also excepting the following: that part of the south half of the east quarter of the northwest quarter of Section 11, Township 38 North, Range 13 East of the Third Principal Meridian commencing at a point on the west line of the east 116.00 feet of said south half of the east quarter of the northwest quarter at a point which is 203.59 feet north of the north line of the south 784.38 feet of said south half of the east quarter of the northwest quarter; thence north along the west line of said east 116 feet, having a bearing of north 01 degree, 38 minutes, 23 seconds west (assumed), a distance of 176.64 feet to the point of beginning; thence continuing along the west line of said east 116.00 feet, a distance of 21.03 feet to a point which is 18.00 feet southeasterly by radial measurement of the centerline of the east bound main track of the Indiana Harbor Belt Railroad; thence southwesterly along a straight line, which forms an angle of 73 degrees, 40 minutes, 30 seconds from south to southwest, with the last described line, a distance of 311.12 feet to the intersection of said line, with a curved line convex to the northwest, having a radius of 636.80 feet, said curve being the northwesterly line of a 66-foot wide strip conveyed to the Terminal Railroad Company described in Document Number 2471256 recorded December 4, 1896, and in other deeds, said point of intersection being 18.00 feet southeasterly by radial measurement of the centerline of the east bound main track of the Indiana Harbor Belt Railroad; thence southwesterly along said curved line, an arc distance of 84.29 feet to its intersection with a curved line convex to the northwest, having a radius of 1,027.00 feet; thence northeasterly along said curved line, an arc distance of 368.47 feet to a point of tangency, the chord of said curved line being 366.94 feet and has a bearing of north 67 degrees, 26 minutes, 41 seconds east; thence north 76 degrees, 18 minutes, 34 seconds east along said tangent line a distance of 7.07 feet

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to the point of beginning, all in Cook County, Illinois.

Also, the south 1163 feet of (as measured at right angles to the south line of) the west 83 feet of the east 116 feet of the south half of the east half of the east half of the northwest quarter of Section 11, Township 38 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois, lying southerly of the 30 foot wide right of way of the Indiana Harbor Belt Railroad, which centerline of said 30 foot wide right of way is 74.3 feet southerly of the south line of 49th Street, produced westerly, as measured along a line drawn parallel with and 33 feet west of the north-south centerline of said Section 11, excepting therefrom the south 33.00 feet thereof taken for west 51st Street.

PINS: 19-11-120-013-0000, 19-11-120-014-0000, 19-11-120-016-0000, 19-11-120-021-0000, 19-11-120-010-0000

Commonly known as: 3606-3656 West 51st Street, 4945-5059 South Lawndale Avenue

New Legal Description.

Lots 1 through 71, both inclusive, together with all dedicated public streets, public alleys and open space in Park Place Unit 1, being a subdivision of part of the south ½ of the east ¼ of the northwest ¼ of Section 11, Township 38 North, Range 13, east of the Third Principal Meridian, according to the plat thereof recorded December 6, 2007 as Document No. 0734003180, in Cook County, Illinois.

[New PINs not yet issued]