



Doc#: 1006729032 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/08/2010 12:13 PM Pg: 1 of 9

2-12

AKC LND No Obs

8494865

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**THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED MAIL TO:**

Adam R. Walker
Assistant Corporation Counsel
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") is made as of March 5, 2010 by TWG Kedzie LLC, an Illinois limited liability company ("Borrower"), the owner of fee simple title to the real property hereinafter described, with a mailing address of c/o The Wolcott Group, Inc., 1144 West Fulton Street - Suite 210, Chicago, Illinois 60607, The Northern Trust Company ("Senior Lender"), an Illinois banking corporation, with a mailing address of 50 South LaSalle Street, Chicago, Illinois 60602, and the CITY OF CHICAGO, an Illinois municipal corporation, through its Department of Community Development, with a mailing address of 121 North LaSalle Street - Room 1000, Chicago, Illinois 60602 ("Junior Lender").

RECITALS

- A. The City made a loan ("Loan") to the Borrower on September 20, 1991, which was evidenced by, among other things, that certain Housing Loan Agreement dated September 20, 1991, made by and among the Borrower and the City, and that certain Note dated September 20, 1991, made by the Borrower in favor of the City in the original principal amount of the Loan; and secured by that certain Junior Mortgage and Security Agreement dated September 20, 1991, made by the Borrower in favor of the City (the "Junior Mortgage") and recorded in the office of the Cook County Recorder of Deeds ("Recorder's Office") on September 20, 1991 as Document No. 91490716, and modified by that certain First Modification

Box 334

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Agreement and recorded in the Recorder's Office on May 21, 2003 as Document No. 0314134141, and further modified by that certain Second Amendment to Financing Documents that was recorded in the Recorder's Office on March 2, 2007 as Document No. 0706126164; and further secured by that certain Assignment of Rents and Leases dated September 20, 1991, made by the Borrower in favor of the City (the "Junior Assignment of Rents and Leases") and recorded in the office of the Cook County Recorder of Deeds on September 20, 1991 as Document No. 91490717, and modified by that certain First Modification Agreement and recorded on May 21, 2003 as Document No. 0314134141, and further modified by that certain Second Amendment to Financing Documents that was recorded in the Recorder's Office on March 2, 2007 as Document No. 0706126164; and further secured by that certain Declaration of Restrictive Covenants and Regulatory Agreement dated September 20, 1991, made by and among the Borrower and the City (the "Regulatory Agreement") and recorded in the office of the Cook County Recorder of Deeds on September 20, 1991 as Document No. 91490713, and modified by that certain First Modification Agreement and recorded on May 21, 2003 as Document No. 0314134141, and further modified by that certain Second Amendment to Financing Documents that was recorded in the Recorder's Office on March 2, 2007 as Document No. 0706126164. The Junior Mortgage, Junior Assignment of Rents and Leases, Regulatory Agreement, all amendments thereto, and all other documents entered into in connection with the Loan are collectively referred to herein as the "Junior Loan Documents." The Junior Loan Documents encumber certain real property located at 4631-4637 South Lake Park Avenue, in the City of Chicago, County of Cook, State of Illinois, more particularly described in Exhibit A attached hereto and made a part hereof ("Property").

- B. The Junior Mortgage and Junior Assignment of Rents and Leases are subordinate and subject to the rights created under that certain Mortgage, Security Agreement and Assignment of Rents and Leases executed by the Borrower in favor of the Illinois Housing Development Authority, dated as of May 20, 2003 and recorded in the Recorder's Office on May 20, 2003 as Document No. 0314134139, as further modified on August 22, 2003, then assigned on June 7, 2006 to TWG Funding XXIV LLC, and then collaterally assigned on June 14, 2006 to Heritage Community Bank ("Original Senior Mortgage"), securing a loan in the amount of \$1,083,000 from the Illinois Housing Development Authority to the Borrower ("Original Senior Loan"); which Original Senior Mortgage was replaced by that certain Mortgage executed by the Borrower in favor of Shore Bank ("Replacement Senior Mortgage") dated as of February 27, 2007 and recorded in the Recorder's Office on March 2, 2007 as Document No. 0706126162, securing a loan in the amount of \$2,000,000 from Shore Bank to the Borrower ("Replacement Senior Loan").

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- C. Junior Lender and Borrower desire that Senior Lender make a mortgage loan to Borrower in the amount of \$2,000,000 ("Senior Loan") which shall be used to pay off the Replacement Senior Loan and secure the release of the Replacement Senior Mortgage. Dated as of the date hereof, Borrower has executed a Commercial Mortgage ("Senior Mortgage") and a Commercial Mortgage Balloon Note ("Senior Note") in the amount of \$2,000,000 in favor of Senior Lender. The Senior Mortgage secures the Senior Note and is being recorded concurrently herewith. The Senior Note and Senior Mortgage and any other documents evidencing and securing the Senior Loan are hereinafter collectively referred to as the "Senior Loan Documents." Once the Replacement Senior Loan is paid off, the Borrower agrees to promptly ensure that the Replacement Senior Mortgage is released.
- D. It is a condition to the Senior Lender making the Senior Loan to Borrower that the Senior Mortgage unconditionally be and remain at all times a lien, claim and charge upon the Property prior and superior to the liens, claims and charges of the Junior Loan Documents.
- E. Senior Lender would not make the Senior Loan without this Subordination Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENTS

1. The above Recitals are incorporated herein and made a part hereof by reference.
2. The Senior Mortgage and other Senior Loan Documents, and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon), unconditionally and will remain at all times a lien, claim or charge on the Property prior and superior to the Junior Mortgage and the Junior Loan Documents, except for the covenants and restrictions contained in Sections 2.7, 2.8, 2.19, 2.21 and 2.23 of the Regulatory Agreement. The maximum amount of indebtedness secured by the Senior Mortgage is \$2,000,000, plus interest, plus any disbursements for the payment of taxes and insurance on the Property, plus interest thereon, plus any other sums advanced in accordance with the terms thereof or any of the other Senior Loan Documents to protect the security of the Senior Mortgage or any of the other Senior Loan Documents, including, without limitation any Protective Advances (as defined in the Senior Mortgage), plus interest thereon.
3. The Junior Lender agrees that:

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- A. Junior Lender intentionally and unconditionally: (i) consents to the liens, claims and charges upon the Property arising from the Senior Loan Documents, and (ii) subjects and subordinates the liens, claims and charges of the Junior Loan Documents, except for the covenants and restrictions contained in Sections 2.7, 2.8, 2.19, 2.21 and 2.23 of the Regulatory Agreement, in favor of the liens, claims and charges upon the Property arising from the Senior Loan Documents and understands that in reliance upon, and in consideration of, this 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 Senior Lender's reliance upon this subjection and subordination.
- B. Any waiver or forbearance by the Senior Lender in the exercise of its rights and remedies under the Senior Mortgage shall not impair the priority of the lien of the Senior Mortgage.

4. This Subordination Agreement is the whole and only agreement with regard to the subordination of the liens, claims and charges of the Junior Loan Documents to the Senior Loan Documents. This Subordination Agreement is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

5. 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 attorneys' fees as awarded in the action.

6. 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 above. Those addresses may be changed by any party by notice to all other parties.

7. This Subordination Agreement is governed by the laws of the State of Illinois, without regard to the choice of law rules of that State.

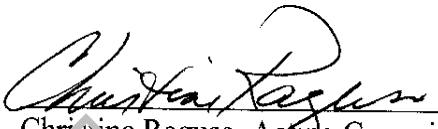
8. This Subordination Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.

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IN WITNESS WHEREOF, this Subordination Agreement is executed as of the day and year above written.

City of Chicago, an Illinois municipal corporation,
acting by and through its Department of Community Development

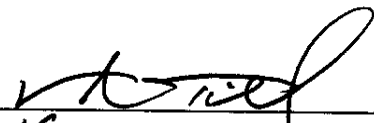
By: 
Christine Raguso, Acting Commissioner

The Northern Trust Company, an Illinois banking corporation

By: 
Name: MARTIN F. BASCO
Its: VICE PRESIDENT

TWG Kedzie LLC, an Illinois limited liability company

By: The Wolcott Group, Inc., an Illinois corporation and one of its managers

By: 
Name: VICTOR MICHEL
Its: TREASURER

Property of Cook County Clerk's Office

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EXHIBIT A

Legal Description

LOTS 1 AND 2 IN SHERMAN'S RESUBDIVISION OF LOTS 5 AND 6 IN LYMAN'S SUBDIVISION OF THAT PART LYING WEST OF THE ILLINOIS CENTRAL RAILROAD OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address Commonly Known as:

4631-4637 South Lake Park Avenue, Chicago, Illinois

PIN:

20-02-405-049

Property of Cook County Clerk's Office