



Doc#: 1135331113 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/19/2011 04:50 PM Pg: 1 of 9

4406937 18/20

After recording return to:
Saundra Fried, Esq.
Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT (TIF RDA – U.S. BANK)

This Subordination Agreement (TIF RDA – U.S. BANK) ("Agreement") is made and entered into as of the 19th day of December, 2011 between the City of Chicago by and through its Department of Housing and Economic Development (the "City"), and U.S. Bank National Association, a national banking association, and its successors and assigns (the "Lender").

WITNESSETH:

WHEREAS, Viceroy Hotel Limited Partnership, an Illinois limited partnership (the "Developer" or "Borrower"), has acquired certain property located within the Central West Redevelopment Project Area (the "Area") at 28 N. Ogden Avenue and 1517-21 W. Warren Boulevard, Chicago, Illinois, and legally described on Exhibit A hereto (the "Property"), in order to rehabilitate the Facility (as defined in the Viceroy Apartments Redevelopment Agreement) into an 89-unit apartment building. The Facility and related improvements are collectively referred to herein as the "TIF Project",

WHEREAS, as part of obtaining financing for the Project, the Developer has entered into a certain Loan Agreement dated as of December 19, 2011 with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$6,122,877 (the "Loan"), which Loan is evidenced by a Promissory Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) a Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing made by Borrower in favor of Lender dated as of December 19, 2011 and recorded concurrently herewith in the Cook County Recorder's Office; and (ii) an Assignment of Rents and Leases made by Borrower in favor of Lender dated as of December 19, 2011 and recorded concurrently herewith in the Cook County Recorder's Office (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer and Heartland Housing, Inc., an Illinois not for profit corporation ("Heartland"), desire to enter into that certain Viceroy Apartments 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");

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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, 8.19 and 8.20 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer and Heartland as of the date hereof, subject, among other things, to (a) the execution by the Developer and Heartland of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate its 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 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.

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 and Heartland 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, Heartland or any third party be entitled to rely upon the agreement provided for herein.

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:

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If to the City: City of Chicago Department of Housing and Economic 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: U.S. Bank National Association
1 South Pinckney Street
Madison, Wisconsin 53703
Attn: Karyn Knaak, Vice President

With a copy to : Dykema Gossett PLLC
10 South Wacker Drive, Suite 2300
Chicago, Illinois 60606
Attn: Derek L. Cottier, Esq.

And to:

Viceroy Hotel Limited Partnership
c/o Viceroy GP, LLC
208 S. LaSalle Street, Suite 1818
Chicago, IL 60604
Attention: Executive Director (Heartland Housing)

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 (TIF RDA – U.S. BANK) has been signed as of the date first written above.

U.S. Bank National Association, a national banking association

By: Karyn Knaak
Name: Karyn Knaak
Title: VICE President

CITY OF CHICAGO

By: _____
Andrew Mooney, Commissioner,
Department of Housing and Economic
Development

ACKNOWLEDGED AND AGREED TO THIS
14th DAY OF DECEMBER, 2011

Viceroy Hotel Limited Partnership, an Illinois limited partnership

By: Viceroy GP, LLC, an Illinois limited liability company, general partner

By: Heartland Housing, Inc., an Illinois not for profit corporation, manager

By: Michael Goldberg
Michael Goldberg, Executive Director

Heartland Housing, Inc.

By: Michael Goldberg
Michael Goldberg, Executive Director

116435

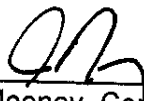
UNOFFICIAL COPY

IN WITNESS WHEREOF, this Subordination Agreement (TIF RDA – U.S. BANK) has been signed as of the date first written above.

U.S. Bank National Association, a national banking association

By: _____
Name:
Title:

CITY OF CHICAGO

By:  _____
Andrew Mooney, Commissioner,
Department of Housing and Economic
Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF DECEMBER, 2011

Viceroy Hotel Limited Partnership, an Illinois limited partnership

By: Viceroy GP, LLC, an Illinois limited liability company, general partner

By: Heartland Housing, Inc., an Illinois not for profit corporation, manager

By: _____
Michael Goldberg, Executive Director

Heartland Housing, Inc.

By: _____
Michael Goldberg, Executive Director

116435

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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 Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic 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 Commissioner, he signed and delivered the said instrument pursuant to authority, as his 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 19th day of December, 2011.

Patricia Sulewski
Notary Public

(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael Goldberg, the Executive Director of Heartland Housing, Inc., an Illinois not-for-profit corporation ("Heartland"), which is also the Managing Member of Viceroy GP, LLC, an Illinois limited liability company ("GP"), the General Partner of **VICEROY HOTEL LIMITED PARTNERSHIP**, an Illinois limited partnership ("Partnership"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Executive Director, 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 Heartland, and as the free and voluntary act of Heartland as the Managing Member of GP, as the general partner of the Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ___ day of December, 2011.

Notary Public

My Commission Expires:

UNOFFICIAL COPY

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 Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic 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 Commissioner, he signed and delivered the said instrument pursuant to authority, as his 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 ____ day of December, 2011.

Notary Public

(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

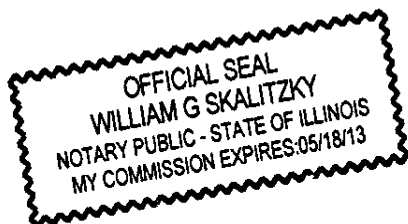
The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael Goldberg, the Executive Director of Heartland Housing, Inc., an Illinois not-for-profit corporation ("Heartland"), which is also the Managing Member of Viceroy GP, LLC, an Illinois limited liability company ("GP"), the General Partner of **VICEROY HOTEL LIMITED PARTNERSHIP**, an Illinois limited partnership ("Partnership"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Executive Director, 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 Heartland, and as the free and voluntary act of Heartland as the Managing Member of GP, as the general partner of the Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 19th day of December, 2011.

William G. Skalitzky
Notary Public

My Commission Expires:

5-18-13



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a notary public, in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT Karyn Knaak, personally known to me to be the Vice President of U.S. Bank National Association ("Lender"), a national banking association 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 19th day of December, 2011.

Sherry Sickles
Notary Public

My Commission Expires

(SEAL)



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EXHIBIT A - LEGAL DESCRIPTION

LOTS 6 THROUGH 13 IN LAFLIN AND MATHER'S SUBDIVISION OF THE NORTH PART OF BLOCK "D" IN THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, SOMETIMES CALLED BLOCK "D" IN WRIGHT'S ADDITION TO CHICAGO AND BEING IN THE SOUTH PART OF LOT 4 IN THE CIRCUIT COURT PARTITION OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, IN COOK COUNTY, ILLINOIS.

PINs: 17-08-332-005-0000
17-08-332-006-0000
17-08-332-007-0000

Commonly known as: 1517-1521 W. Warren Boulevard and
28 North Ogden Avenue, Chicago, Illinois 60607.