

13

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

Brandon R. Calvert, Esq.
Charity & Associates, P.C.
20 North Clark Street, Suite 1150
Chicago, Illinois 60602



Doc#: 1229733126 Fee: \$56.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/23/2012 02:22 PM Pg: 1 of 10

2121119

SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

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 October 1, 2012, by and among CHURCHVIEW MANOR PRESERVATION, L.P., an Illinois limited partnership with a mailing address of 2601 W. 63rd Street, Chicago, Illinois 60629 (the "Mortgagor"), the owner of the fee simple interest in real estate hereinafter described, CHURCHVIEW LIMITED PARTNERSHIP, an Illinois limited partnership with a mailing address of 2601 W. 63rd Street, Chicago, Illinois 60629 (the "Junior Lienholder"), and BMO HARRIS BANK N.A, a national banking association with a mailing address of 111 West Monroe Street, Chicago, Illinois 60603 ("Bank").

Factual Background

A. Mortgagor is the owner of fee simple title in and to the land (the "Land") located at located generally at 2626 West 63rd Street, Chicago, Illinois, as more particularly described in Exhibit A attached hereto and made a part hereof.

B. Mortgagor proposes to construct, rehabilitate, furnish, equip and operate on the Land a low-income housing development project consisting of a building containing approximately sixty (60) residential dwelling units (the "Project," and, together with the Land, the "Property").

C. Junior Lienholder has all right, title and interest in and to a loan in the principal amount of One Million Seven Hundred Four Thousand Nine Hundred Thirty Seven Dollars (\$1,704,937.00) (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 (i) a certain mortgage dated as of October 1, 2012 (the "Subordinated Mortgage"), executed by Mortgagor in favor of Junior Lienholder to be recorded concurrently herewith encumbering the fee simple interest in the Property.

S Y
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INT RC

10 pgs

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D. The Subordinated Note, 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 \$3,750,000 (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 Variable Rate Demand Multi-Family Housing Revenue Bonds (Churchview Manor Senior Apartments), Series 2012, in the aggregate principal amount of \$3,700,000 (the "Bonds").

F. The proceeds of the Bonds and the Subordinated Loan are to be applied to the costs of developing the Project.

G. The Mortgagor's obligations (hereinafter referred to as the "Senior Obligations") 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, Assignment of Leases and Rents, Security Agreement and Financing Statement (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 Obligations, collectively constitute the "Senior Mortgage 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 Obligations and Senior Mortgage 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 (i) 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 (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 Obligations, the Senior Mortgage and the other Senior Mortgage Loan Documents.

AGREEMENTS

1. **Subordination**. The parties acknowledge and agree that 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 Mortgage Loan Documents, and all claims, rights and remedies therefor are hereby subordinated and made subsequent and inferior to the Senior Mortgage and Senior Mortgage Loan Documents and any claims, rights, and remedies arising out of, or in connection therewith. So long as the Senior Mortgage 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 Mortgage Loan Documents, the provisions of the Senior Mortgage Loan Documents shall control. Any waiver or forbearance by the Bank of any right or remedy under the Senior Mortgage Loan Documents shall not impair the priority of its respective lien under the Senior Mortgage 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 Security Agreement, the Senior Mortgage and the Senior Mortgage 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 Mortgage 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 Senior Obligations evidenced by the Reimbursement Agreement and the other Senior Mortgage Loan Documents. If, prior to the payment in full of the principal amount of the Senior 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 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.

2.5 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 Senior 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.

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 Mortgage Loan Documents and the Security Agreement. 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

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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 Obligations evidenced and secured by the Senior Mortgage 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 that, as long as any portion of the the Senior Obligations remains outstanding, it will not to commence or join with any other creditor of Mortgagor in commencing any bankruptcy, reorganization, or insolvency proceedings against the Mortgagor or any general partner of 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 Senior Obligations under the Reimbursement Agreement and the other Senior Mortgage Loan Documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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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"

"Mortgagor"


CHURCHVIEW LIMITED PARTNERSHIP, an Illinois limited partnership

CHURCHVIEW MANOR PRESERVATION, L.P., an Illinois limited partnership

Churchview Corporation
its general partner

By: Churchview Manor Preservation, NFP,
an Illinois not-for-profit corporation,
its general partner

By: 
Name: Ghian Foreman
Its: President

By: 
Name: Ghian Foreman
Its: President

Address Where Notices to Partnership
Are To Be Sent:

Address:

2601 West 63rd Street
Chicago, Illinois 60629-1619
Attention: Helen Jareczek

2601 West 63rd Street
Chicago, Illinois 60629-1619
Attention: Helen Jareczek

With copies to:

With copies to:

Applegate & Thorne-Thomsen, P.C.
626 West Jackson, Suite 400
Chicago, Illinois 60661
Attention: Caleb Jewell, Esq.

Applegate & Thorne-Thomsen, P.C.
626 West Jackson, Suite 400
Chicago, Illinois 60661
Attention: Caleb Jewell, Esq.

and

Great Lakes Capital Fund for Housing
Limited Partnership XXVI
1000 South Washington
Lansing, Michigan 48910
Attn: Mark McDaniel

With a copy to:

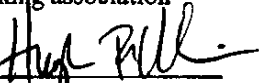
Loomis, Ewert, Parsley, Davis & Gotting, P.C.
124 West Allegan, Suite 700
Lansing, Michigan 48933
Attn: Ted Rozeboom

[Additional Signatures Follow]

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"Bank"

BMO HARRIS BANK N.A., a national
banking association

By: 
Name: Hugh Franklin
Title: Vice President

Address:

111 West Monroe, 2nd Floor - East
Chicago, Illinois 60603
Attention: Hugh Franklin

**COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____**

Property of Cook County Clerk's Office

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Exhibit A Legal Description

PARCEL 1:

LOTS 16 THROUGH 23, BOTH INCLUSIVE, IN BLOCK 15, TOGETHER WITH THE WEST HALF OF VACATED SOUTH TALMAN AVENUE LYING EAST OF THE EAST LINE OF SAID LOT 16 IN BLOCK 15, ALL IN COBE & MCKINNON'S 63RD ST. & CALIFORNIA AVE. SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR PRIVATE INGRESS AND EGRESS BENEFITTING PARCEL 1 PURSUANT TO THAT CERTAIN EASEMENT AGREEMENT DATED MARCH 1, 2003 AND RECORDED MARCH 27, 2003 IN THE COOK COUNTY RECORDER'S OFFICE AS DOCUMENT NUMBER 0030415529 UPON, OVER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY:

LOTS 16 THROUGH 25, BOTH INCLUSIVE, IN BLOCK 16, TOGETHER WITH THE EAST HALF OF VACATED SOUTH TALMAN AVENUE LYING WEST OF AND ADJOINING SAID LOT 25 IN BLOCK 16, ALL IN COBE & MCKINNON'S 63RD ST. & CALIFORNIA AVE. SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as 2626 West 63rd Street, Chicago, IL 60629

Permanent Index Numbers:

As to Parcel 1:

19-13-426-033
19-13-426-034
19-13-426-035
19-13-426-036
19-13-426-037
19-13-426-038

As to Parcel 2:

19-13-427-030
19-13-427-031
19-13-427-032
19-13-427-033
19-13-427-034
19-13-427-035
19-13-427-036
19-13-427-037
19-13-427-040

