



Doc#: 1315829082 Fee: \$60.00  
RHSP Fee: \$10.00 Affidavit Fee:  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 06/07/2013 02:53 PM Pg: 1 of 12

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

*This space reserved for Recorder's use only.*

## SUBORDINATION AGREEMENT

This Subordination Agreement ("**Agreement**") is made and entered into as of the 7th day of June, 2013 between the City of Chicago by and through its Department of Housing and Economic Development (the "**City**"), MBS-UI Sub-CDE XVI, LLC, a Delaware limited liability company (the "**MBS Lender**") and RBC Community Development Sub 3, LLC, a Delaware limited liability company (the "**RBC Lender**"; MBS Lender and RBC Lender are collectively referred to herein as the "**Lenders**").

### WITNESSETH:

WHEREAS, Pullman Park Development, LLC ("**PPD**") has purchased certain property located within the North Pullman Redevelopment Project Area in the vicinity of 111th Street and Doty Avenue, as legally described on Exhibit A (the "**Property**"), on which it, together with PPD's managing member, Chicago Neighborhood Initiatives, Inc. ("**CNI**"; collectively, CNI and PPD are referred to herein as "**Developer**"), intends to construct approximately 67,000 square feet of in-line, small shop and mid-box retail space (the "**Phase 1b New Work**"). In connection with the construction of the Phase 1b New Work, Developer has already completed certain public and other infrastructure improvements (collectively with the Phase 1b New Work, the "**Project**");

WHEREAS, as part of obtaining financing for the Project, PPD (the "**Borrower**") and the Lenders have entered into a certain Loan Agreement dated as of July 15, 2011 (the "**Loan Agreement**"), pursuant to which the Lenders have made a loan to the Borrower in an amount not to exceed \$26,260,000.00 (the "**Loan**"), which Loan is evidenced by the following promissory notes, all dated as of July 15, 2011 (collectively, the "**Notes**"): (i) Promissory Note delivered to the MBS Lender in the face amount of \$4,328,513, (ii) Promissory Note delivered to the MBS Lender in the face amount of \$4,343,016, (iii) Promissory Note delivered to the MBS Lender in the face amount of \$3,088,471, (iv) Promissory Note delivered to the RBC Lender in the face amount of \$5,230,287, (v) Promissory Note delivered to the RBC Lender in the face amount of \$6,233,810, and (vi) Promissory Note delivered to the RBC Lender in the face amount of \$3,035,903.

*NCS 600 36509 373*

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WHEREAS, 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 a Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated July 15, 2011 and recorded July 19, 2011 as document number 1120010136 made by the Borrower to the Lenders (the Loan Agreement, Notes and all agreements otherwise relating to the Loan are referred to herein collectively as the “**Loan Documents**”);

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated as of 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, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Section 8.02 of the Redevelopment Agreement (the “**City Encumbrances**”);

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; (b) the execution by Developer of a mortgage in favor of the City, dated as of the date hereof (the “**Junior Mortgage**”) and (c) the agreement by the Lenders 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 Lenders and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lenders 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 Lenders’ other rights or other priorities under the Loan Documents, including without limitation the Lenders’ right to receive, and Developer’s ability to make, payments and prepayments of principal and interest on the Notes, or to exercise their rights pursuant to the Loan Documents except as provided herein. The liabilities and obligations of the Lenders with respect to the City Encumbrances and the City Agreements shall be as set forth in Article 16 of the Redevelopment Agreement.

2. Notice of Default. The Lenders shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lenders, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, as the case may be, and (b) copies of waivers, if any, of Developer’s default in connection therewith. 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, as the case may be.

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3. Standstill. Notwithstanding anything to the contrary contained herein or in the Junior Mortgage, the City agrees that, until all of the terms and provisions of Loan Documents shall no longer be in effect, the City will not exercise any right under the Junior Mortgage without the prior written consent of both Lenders, to be given or withheld in the sole discretion of each of the Lenders. The consent of the City is not required for the Lenders to exercise any of their rights under the Loan Documents, including their rights to settle any and all insurance claims and condemnation actions and to retain and/or distribute insurance and condemnation awards and proceeds, the proceeds of any other disposition of the Project, and rents and all other income generated from the Property, in accordance with the Loan Documents.

4. Waivers. No waiver shall be deemed to be made by the City or the Lenders 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 Lenders in any other respect at any other time.

5. 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 Lenders.

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 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 Lenders:

MBS-UI Sub-CDE XVI, LLC  
c/o McCormack Baron Salazar  
720 Olive Street, Suite 2500  
St. Louis, MO 63103  
Attention: Hillary Zimmerman, General Counsel  
Facsimile: 314-335-2891

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and

RBC Community Development 3, LLC  
c/o RBC Capital Markets  
600 Superior Ave, Suite 2300  
Cleveland, OH 44114-2612  
Attention: President & General Counsel  
Facsimile: 216-875-2612

With a copy to:

Polsinelli Shughart P.C.  
100 S. Fourth Street, Suite 1000  
St. Louis, MO 63102  
Attention: Jared M. Minkoff  
Facsimile: 314-231-1776

and

Holland & Knight LLP  
10 St. James Avenue  
Boston, MA 02116  
Attention: Jeff Gaulin  
Facsimile: 617-523-6850

or to such other address as any 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.]

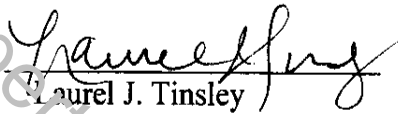
# UNOFFICIAL COPY

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

**MBS-UI SUB-CDE XVI, LLC**, a  
Delaware limited liability company

By: MBS Urban Initiatives CDE, LLC, a  
Missouri limited liability company,  
its Managing Member

By: MUDCO 6, Inc., a Missouri  
corporation, its Managing Member

By:   
Laurel J. Tinsley  
Vice President

**RBC COMMUNITY DEVELOPMENT  
SUB 3, LLC**, a Delaware limited liability company

By: RBC COMMUNITY DEVELOPMENT, LLC, a  
Delaware limited liability company,  
its Managing Member

By: RBC Tax Credit Manager III, Inc.,  
a Delaware corporation,  
its Managing Member

By: \_\_\_\_\_  
Kenneth L. Lohiser  
Vice President

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Andrew J. Mooney, Commissioner,  
Department of Housing and Economic Development

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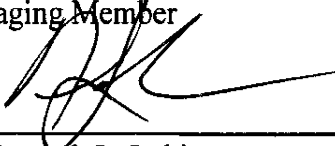
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By: \_\_\_\_\_  
Laurel J. Tinsley  
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By:   
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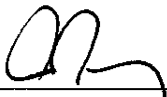
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By: \_\_\_\_\_  
Kenneth L. Lohiser  
Vice President

**CITY OF CHICAGO**

By:  \_\_\_\_\_  
Andrew J. Mooney, Commissioner,  
Department of Housing and Economic Development

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[ACKNOWLEDGMENT TO SUBORDINATION AGREEMENT]


ACKNOWLEDGED AND AGREED TO  
THIS 7<sup>th</sup> DAY OF JUNE, 2013

Pullman Park Development, LLC, an Illinois  
limited liability company

By: Chicago Neighborhood Initiatives,  
Inc. an Illinois not-for-profit  
corporation, its managing member

By:   
David Doig, President

Chicago Neighborhood Initiatives, Inc., an  
Illinois not-for-profit corporation

By:   
David Doig, President

Property of Cook County Clerk's Office



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STATE OF Missouri )  
 ) SS  
COUNTY OF St. Louis )

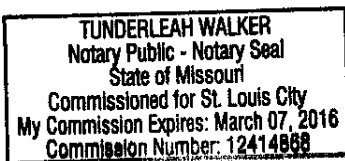
I, Tunderleah Walker, a notary public, in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT Laurel J. Tinsley, personally known to me to be the Vice President of MUDCO 6, Inc., in its capacity as managing member of MBS Urban Initiatives CDE, LLC, in its capacity as managing member of MBS-UI Sub-CDE XVI, LLC, a Delaware limited liability company ("MBE Lender"), 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 MUDCO 6, Inc., in its capacity as managing member of MBS Urban Initiatives CDE, LLC, in its capacity as managing member of MBE Lender, as his/her free and voluntary act and as the free and voluntary act of MBE Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10<sup>th</sup> day of May 2013.

Tunderleah Walker  
Notary Public

My Commission Expires 3/7/14

(SEAL)



# UNOFFICIAL COPY

STATE OF Ohio )  
 ) SS  
 COUNTY OF Cuyahoga )

I, Deborah A Colasante, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT Timothy L. Lohiser, personally known to me to be the **Vice President** of RBC Tax Credit Manager III, LLC, in its capacity as managing member of RBC Community Development, LLC, in its capacity as managing member of RBC Community Development Sub 3, LLC, a Delaware limited liability company ("RBC Lender"), 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 RBC Tax Credit Manager III, LLC, in its capacity as managing member of RBC Community Development, LLC, in its capacity as managing member of RBC Lender, as his/her free and voluntary act and as the free and voluntary act of RBC Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10 day of May 2013.

*Deborah A Colasante*  
Deborah A Colasante  
 Notary Public

My Commission Expires 12.26.15

DEBORAH A. COLASANTE  
 Notary Public, State of Ohio, Cuy. Cty.  
 My commission expires December 26, 2015

(SEAL)

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STATE OF ILLINOIS )  
  ) SS  
COUNTY OF COOK )

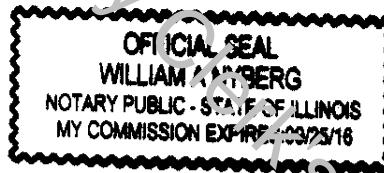
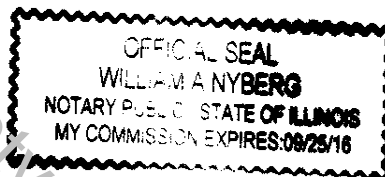
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, Illinois (the "City") and personally known to me to be the 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 7th day of June, 2013

*William A. Nyberg*  
Notary Public

My Commission Expires 09/25/16

(SEAL)



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## EXHIBIT A – LEGAL DESCRIPTION

THAT PART OF LOT 2 IN PULLMAN PARK - PHASE 1, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 19, 2011 AS DOCUMENT 1120029049, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 2; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, 139.82 FEET TO THE POINT OF BEGINNING; THENCE NORTHEASTERLY 11.52 FEET, ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 8.50 FEET AND WHOSE CHORD BEARS NORTH 60 DEGREES 24 MINUTES 51 SECONDS EAST, 10.66 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 211.14 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 93.54 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE RIGHT, HAVING A RADIUS OF 151.50 FEET AND WHOSE CHORD BEARS NORTH 39 DEGREES 16 MINUTES 16 SECONDS EAST, 92.06 FEET TO A POINT OF TANGENCY; THENCE NORTH 56 DEGREES 57 MINUTES 30 SECONDS EAST, 17.18 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 91.68 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 148.50 FEET AND WHOSE CHORD BEARS NORTH 39 DEGREES 16 MINUTES 16 SECONDS EAST, 90.24 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 89.00 FEET TO A POINT OF CURVATURE; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR TO THE LAST COURSE, 215.17 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 29.06 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 18.50 FEET AND WHOSE CHORD BEARS NORTH 66 DEGREES 35 MINUTES 01 SECONDS EAST, 26.16 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 52.46 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR TO THE LAST COURSE, 246.00 FEET; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, PERPENDICULAR TO THE LAST COURSE, 16.00 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR TO THE LAST COURSE, 156.00 FEET; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, PERPENDICULAR TO THE LAST COURSE, 545.08 FEET TO A POINT ON A SOUTHERLY LINE OF SAID LOT 2; THENCE WESTERLY ALONG THE SOUTHERLY LINES OF SAID LOT 2 FOR THE NEXT THREE COURSES; (1) THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, 70.47 FEET; (2) THENCE NORTH 71 DEGREES 50 MINUTES 56 SECONDS WEST, 100.21 FEET; (3) THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, 537.18 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN: 25-14-300-013-0000 (affects land and other property)

10800<sup>S</sup> Doty  
Chicago, IL 60617