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Office of the General Counsel
Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605

Doc#: 1535616080 Fee: \$66.00
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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 12/22/2015 03:56 PM Pg: 1 of 15

SPACE ABOVE FOR RECORDER'S USE

61740012157 (19)

SUBORDINATION AGREEMENT (TIF Loan)

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 (this "**Subordination Agreement**") is made as of December 1, 2015, by **CLYDIV, LLC**, an Illinois limited liability company, as mortgagor ("**Borrower**"), with a mailing address of c/o Brinshore Development, L.L.C., 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062, ground lessee of the real property hereinafter described, **CLYDIV MANAGER, LLC**, an Illinois limited liability company ("**Junior Lienholder**"), with a mailing address of 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062, owner of that certain mortgagee's interest in the mortgage and holder of the note described below, and the **CHICAGO HOUSING AUTHORITY**, an Illinois municipal corporation ("**CHA**"), with a mailing address of 60 East Van Buren Street, Chicago, Illinois 60605, Attn: Chief Executive Officer.

Factual Background

A. Junior Lienholder has made or intends to make a loan to Borrower in the principal amount of Eight Million One Hundred Thousand and No/100 Dollars (\$8,000,000) (the "**Subordinated Loan**"). The Subordinated Loan is evidenced by a certain Promissory Note dated as of December 1, 2015 (the "**Subordinated Note**") executed by Borrower to the order of Junior Lienholder. The Subordinated Loan is secured by a certain Mortgage, Security Agreement and Financing Statement dated as of December 1, 2015 (the "**Subordinated Mortgage**") to be recorded concurrently herewith encumbering Borrower's interest in certain real property (the "**Property**") located in the City of Chicago, County of Cook, State of Illinois, more particularly described in Exhibit A attached hereto and made a part hereof.

B. The Subordinated Note and 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**".

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C. Junior Lienholder and Borrower desire that CHA make a loan (the "**Superior Loan**") to Borrower. The Superior Loan will be made pursuant to a Chicago Housing Authority Loan Agreement between CHA and Borrower, and will be evidenced by a certain Note dated as of December 1, 2015 (the "**Superior Note**") in the principal amount of Eight Million One Hundred Thousand Dollars (\$8,100,000) in favor of CHA, which will be secured by a certain Subordinate Mortgage, Security Agreement and Financing Statement dated as of December 1, 2015 (the "**Superior Mortgage**") encumbering the Property. The Superior Mortgage is being recorded concurrently herewith. The Superior Note, the Superior Mortgage, the Declaration (as defined in the Loan Agreement), the Regulatory and Operating Agreement (as defined in the Loan Agreement), the Right of First Refusal (as defined in the Loan Agreement), together with all of their exhibits, and all other documents which evidence, guaranty, secure, or otherwise pertain to the Superior Loan, collectively constitute the "**Superior Loan Documents**".

D. It is a condition to CHA's making the Superior Loan to Borrower that: (i) the Superior 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 Superior Loan and Superior Loan Documents.

E. It is to the mutual benefit of the parties that CHA make the Superior Loan to Borrower, and Junior Lienholder is willing that the Superior 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 that 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 Superior Loan and Superior Loan Documents.

AGREEMENT

1. **Subordination.** The Superior Mortgage and the Superior Loan Documents, 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 Superior Loan and Superior Loan Documents, and all claims, rights and remedies therefor are hereby subordinated and made subsequent and inferior to the Superior Loan and Superior Loan Documents and any claims, rights, and remedies arising out of, or in connection therewith.

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2. Acknowledgements and Agreements of Junior Lienholder. Junior Lienholder declares, acknowledges, and agrees that:

2.1 CHA would not make the Superior Loan without this Subordination Agreement;

2.2 Junior Lienholder consents to all provisions of the Superior Mortgage and the Superior Loan Documents;

2.3 In making disbursements, CHA is under no obligation or duty to, nor has CHA represented that it will, see to the application of the Superior Loan proceeds; and

2.4 Junior Lienholder intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims, and charges of the Subordinated Loan Documents, and all present and future indebtedness and obligations secured thereby, in favor of the Superior Loan Documents and the lien, claim, and charge upon the Property of the Superior 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 CHA's reliance upon this waiver, relinquishment, subjection, and subordination.

3. Notices.

3.1 CHA 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 Superior Loan Documents. 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 CHA of any of its rights hereunder unless the same shall be in writing signed on behalf of CHA, and each such waiver, if any, shall 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 CHA or the obligations of Borrower to CHA 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. Notice of acceptance of this Subordination Agreement is hereby waived and this

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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 CHA, no assignment of the Subordinated Loan Documents, or any part thereof, shall be made without the prior written consent of CHA.

6. **Creditor's Rights.** Junior Lienholder agrees not to commence or join with any other creditor of Borrower in commencing any bankruptcy, reorganization, or insolvency proceedings against the Borrower without the prior written consent of CHA.

7. **Forbearance from Exercise of Remedies.** As long as the Superior Loan has not been paid in full in cash and discharged, Junior Lienholder agrees that it shall not, upon the Borrower's default under the Subordinated Loan Documents: (a) foreclose upon, or realize upon its security interest in, the Subordinated Mortgage; (b) seek appointment as a mortgagee in possession of any part of the Property; or (c) seek the appointment of a receiver for any part to the Property.

8. **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.

9. **Governing Law.** This Subordination Agreement is governed by the law of the State of Illinois, without regard to the choice of law rules of that state.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK/
SIGNATURE PAGE TO FOLLOW]

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BORROWER

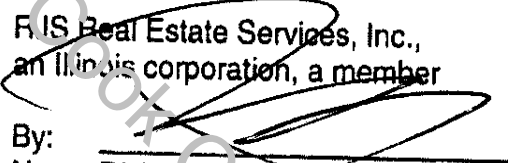
CLYDIV, LLC,
an Illinois limited liability company

By: ClyDiv Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore PL, LLC,
an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its managing member

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

By: 
Name: Richard J. Sciortino
Title: President

By: Michaels Chicago Holding Company, LLC,
an Illinois limited liability company,
a member

By: _____
Name: John J. O'Donnell
Title: President

Property of Cook County Clerk's Office

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BORROWER

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its managing member

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JUNIOR LIENHOLDER

ClyDiv Manager, LLC,
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an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
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Name: John J. O'Donnell
Title: President

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CHA

Chicago Housing Authority,
an Illinois municipal corporation

By: _____

Eugene E. Jones, Jr.
Acting Chief Executive Officer

Property of Cook County Clerk's Office

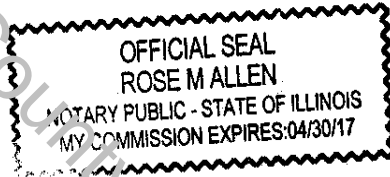
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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Rose M. Allen, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Eugene E. Jones, Jr., the Acting Chief Executive Officer of the Chicago Housing Authority, a municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Acting Chief Housing Officer, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 18th day of December, 2015.

Rose M. Allen
Notary Public



Notary of Cook County Clerk's Office

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EXHIBIT A

THAT PART OF BUTTERFIELD'S ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF LOT 34 IN BUTTERFIELD'S ADDITION TO CHICAGO AFORESAID; THENCE NORTHWEST ALONG THE SOUTHWESTERLY LINE OF NORTH CLYBOURN AVENUE, 330.24 FEET TO THE MOST NORTHERLY CORNER OF LOT 1 IN THE SUBDIVISION OF LOT 40 AND THE NORTHWEST HALF OF LOT 38 IN BUTTERFIELD'S ADDITION TO CHICAGO AFORESAID; THENCE SOUTHWEST ALONG THE NORTHWESTERLY LINE OF LOT 1 IN THE AFORESAID SUBDIVISION OF LOT 40 AND THE NORTHWEST HALF OF LOT 38, A DISTANCE OF 111.16 FEET TO THE POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 20.00 FEET OF LOT 39 IN BUTTERFIELD'S ADDITION TO CHICAGO AFORESAID; THENCE SOUTH ALONG SAID EAST LINE OF THE WEST 20.00 FEET OF LOT 39 AND ITS NORTHERLY EXTENSION, 155.63 FEET, MORE OR LESS TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 39, SAID LINE ALSO BEING THE NORTH LINE OF WEST DIVISION STREET; THENCE EAST ALONG SAID NORTH LINE OF WEST DIVISION STREET 310.00 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING,

EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF LOT 34 IN BUTTERFIELD'S ADDITION TO CHICAGO AFORESAID; THENCE NORTHWEST ALONG THE SOUTHWESTERLY LINE OF NORTH CLYBOURN AVENUE, 45.28 FEET; THENCE SOUTHWESTERLY 34.00 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 1, SAID LINE ALSO BEING THE NORTH LINE OF WEST DIVISION STREET, SAID POINT BEING 43.30 FEET WEST FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 1, 43.30 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ADDRESS: 454 West Division Street, Chicago, IL

PIN: 17-04-142-001; 17-04-142-002; 17-04-142-003; 17-01-142-004; 17-04-142-006; 17-04-142-007; 17-04-142-008; 17-04-142-009; 17-04-142-010; 17-04-142-011; 17-04-142-012; 17-04-142-013; 17-04-142-014; and 17-04-142-015