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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/10/2017 01:55 PM Pg: 1 of 11

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RECORDING COVER SHEET

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INTERCREDITOR AND SUBORDINATION AGREEMENT

THIS INTERCREDITOR AND SUBORDINATION AGREEMENT is dated as of October 11, 2016 (this "Agreement") by and among the COUNTY OF COOK, Illinois, a body politic and corporate, doing business as the Cook County Land Bank Authority (the "County"), RFLF 4, LLC (the "Senior Lender"), and Capital Holdings, LLC (the "Borrower").

RECITALS

A. The County has sold the real property and improvements thereon having a common address of 7724 S. Crandon Avenue, Chicago, Illinois 60649, and legally described in Exhibit A attached hereto (collectively, "Real Estate") to the Borrower. The Real Estate has been conveyed, or will be conveyed, to the Borrower pursuant to a special warranty deed ("County Deed") which County Deed contains, or will contain, certain covenants relating to, among other things, (i) the obligation of the Borrower to bring the Real Estate in compliance with all Federal, State and local building and housing codes, rules, regulations and laws applicable to the Real Estate and (ii) the obligation of the Borrower to obtain all necessary approvals and certifications to permit occupancy and confirm that the necessary repairs have been completed (collectively, "Deed Covenants").

B. The County has agreed to lend to the Borrower a portion of the purchase price of the Real Property in the principal amount equal to Twenty Thousand and no/100 Dollars (\$20,000.00) ("County Loan"). The County Loan is evidenced by that certain Forgivable Loan Agreement and Promissory Note dated as of June 15, 2016 ("County Loan Agreement") between the County and the Borrower. The County Loan, the other obligations of the Borrower contained in the County Loan Agreement and the performance of the Deed Covenants by the Borrower, are secured by that certain Mortgage dated as of July 11, 2016 ("County Mortgage") from the Borrower as mortgagor thereunder, to the County, as mortgagee thereunder, creating a mortgage lien against the Real Estate. The County Loan Agreement, the County Mortgage and all other documents evidencing and/or securing the County Loan are herein collectively referred to as the "County Loan Documents."

C. The Senior Lender has agreed to provide a loan to Borrower, in the principal amount equal to Eighty Thousand and no/100 Dollars (\$80,000.00) ("Senior Loan"). The Senior Loan is evidenced by that certain Loan Agreement dated as of the date hereof between Senior Lender and Borrower and relating to the Senior Loan, as amended, restated, supplemented or replaced from time to time ("Senior Loan Agreement"); the promissory note or notes of Borrower which evidences or evidence from time to time the Senior Loan, as amended, restated, supplemented, or replaced from time to time ("Senior Note"); and all documents and instruments, now existing or hereafter arising, which create or purport to create a security interest in property to secure payment or performance of the Senior Loan ("Senior Security Documents"). Collectively the Senior Loan Agreement, Senior Note, and Senior Security Documents and all other documents that from time to time evidence the Senior Loan or secure or support payment or performance thereof and related to the Senior Loan, as amended, restated, supplemented or replaced from time to time are referred to as the Senior Loan Documents.

D. Pursuant to the terms and provisions of this Agreement, the County has agreed, (i) to subordinate the indebtedness and other obligations of the Borrower contained in the County Loan Documents (collectively, the "Subordinate Debt") to the Senior Obligations, including the right of payment and all rights of Senior Lender under the Senior Loan Documents.

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NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the parties hereto agree as follows:

1. Priority of Liens. The County hereby covenants and agrees that the Senior Loan and Senior Obligations shall be the first, senior and prior lien on the Real Estate, superior in all respects to the County Mortgage and the Deed Covenants, including the right of payment and all rights of Senior Lender under the Senior Loan Documents, all as provided in this Agreement.

2. Subordination of Subordinate Debt.

a) The County hereby subordinates any and all claims now or hereafter owing to on the Subordinate Debt to any and all claims now or hereafter owing to the Senior Lender by Borrower on the Senior Debt, and the County agrees that all claims of the Senior Lender shall be paid in (a) in cash or otherwise satisfied before any payment may be made on the Subordinate Debt, whether of principal or interest, except that so long as the County has not received written notice from the Senior Lender that a default exists on the Senior Debt or under any of the Senior Loan Documents (the "Default Notice"), the County may receive payments on the Subordinate Debt. Subsequent to receipt of the Default Notice, and so long as the default on the Senior Debt or under any of the Senior Loan Documents is continuing, the County may not receive payments on the Subordinate Debt.

b) The County agrees not to accept any payment in respect of the Subordinate Debt, except as expressly provided herein, and (subject to the last sentence of Subsection 2(a) the County agrees to pay over to the Senior Lender any funds that may be received from the Borrower as a payment on account of the Subordinate Debt at any time after the County has received a Default Notice, but not otherwise. In case any funds shall be paid or delivered to the County under the circumstances described in the preceding sentence, such funds shall be held in trust by the County for, and immediately paid and delivered to, the Senior Lender (in the form received endorsed over to the Senior Lender).

c) The County further agrees not to sell, assign, transfer or endorse any claim or claims against the Borrower or any guarantor of the Subordinate Debt to anyone, except subject to the terms and conditions of this Agreement.

d) The County agrees that the priority of the Senior Debt set forth above shall continue during any insolvency, receivership, bankruptcy, dissolution, liquidation, or reorganization proceeding, or in any other proceeding, whether voluntary or involuntary, by or against the Borrower or any other person or entity under any bankruptcy or insolvency law or laws relating to the relief of debtors of any jurisdiction, whether now or hereafter in effect, and in any out-of-court composition, assignment for the benefit of creditors or other arrangement of any kind.

e) The County agrees that the subordination provided in Section 1 above and in this Section 2 shall automatically extend to all restatements, replacements, supplements, extensions, renewals, amendments, and modifications whatsoever of any of the Senior Loan Documents.

f) No release or waiver by the Senior Lender of any of its rights against the Borrower or any other person or entity under the Senior Loan Documents shall require notice to, or the consent of, the County or any other party, nor shall any release or waiver by the Senior Lender under any of the Senior Loan Documents operate as a defense to or release of any of the

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rights of the Senior Lender under this Agreement. Without limiting the generality of the foregoing, the County consents and agrees to any increase in the amount of the Senior Debt.

3. Right to Cure. The County understands and agrees that the Senior Lender shall have the right, but shall have no obligation, to cure any default under the Subordinate Debt.

4. Proceeds. The order of priority of liens set forth in Section 1 hereof shall apply to all rents, profits and proceeds relating to the Real Estate, including, without limitation, any insurance proceeds payable in the event of loss of, or damage to, the physical improvements on the Real Estate.

5. Voided Payments. To the extent that the Borrower or any other person makes any payment on the Senior Debt, that, within one (1) year of the date of such payment, is subsequently invalidated, declared to be fraudulent or preferential, set aside or is required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or Federal law, common law or equitable cause (such payment being hereinafter referred to as a "Voided Payment"), then to the extent of such Voided Payment that portion of the Senior Debt which had been previously satisfied by such Voided Payment shall be revived and continue in full force and effect as if such Voided Payment had never been made. In the event that a Voided Payment is disgorged or recovered from the Senior Lender, an event of default (as defined in the Senior Loan Agreement) shall be deemed to have occurred and to be continuing from the date of such recovery from the Senior Lender of such Voided Payment until the full amount of such Voided Payment is fully and finally restored to the Senior Lender and until such time the provisions of this Agreement shall be in full force and effect.

6. County Not to Collect Rents. So long as the Senior Debt remains unpaid, the County agrees that it will not collect any rents derived from the Real Estate and to the extent any rents are collected.

7. County to Deliver Releases. So long as the Senior Loan Documents remain in effect or any portion of the Senior Debt remains unpaid, (i) the County shall not be entitled to receive any condemnation awards or insurance proceeds with respect to the Real Estate, the County agrees to promptly (i.e., within ten (10) days of such request) deliver instruments reasonably requested by the Senior Lender releasing any interest of the County in such condemnation awards and/or insurance proceeds and the County agrees that such condemnation awards or insurance proceeds shall be applied as directed by the Senior Lender pursuant to the terms and provisions of the Senior Loan Documents, and (ii) the County shall execute and deliver such subordination agreements reasonably required by the Senior Lender upon the recording of any easements or other encumbrances approved by the Senior Lender with respect to the Real Estate.

8. Further Assurances. The County agrees, within ten (10) days of any request, to execute and deliver any documents or instruments reasonably requested by the Senior Lender, for better assuring and evidencing the terms and provisions of this Agreement.

9. County Agrees to Release County Mortgage and Deed Covenants. Upon (i) the completion of foreclosure proceedings by the Senior Lender under the Senior Loan Documents, unless the Senior Lender is satisfied that by operation of law the County Mortgage and/or the Deed Covenants have been terminated as encumbrances against the real Estate, or (ii) the Senior Lender's agreement with the Borrower to accept a deed of conveyance of the Real Estate, in lieu of foreclosure, from the Borrower, upon the request of the Senior Lender, the County agrees to promptly deliver to the Senior Lender (i.e., within ten (10) days on any request) an unconditional written release of the County Mortgage and an unconditional release of the Deed Covenants, both in recordable form.

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10. Immediate Effect. This Agreement shall be effective immediately upon its execution by each of the parties hereto, and there are no conditions precedent or subsequent to the effectiveness of this Agreement.

11. Successors and Assigns; Continuing Effect Etc. This Agreement is being entered into for the benefit of, and shall be binding upon, each of the Senior Lender, the County, the Borrower, and their respective permitted successors, assigns, heirs and personal representatives, as applicable. The Senior Lender may participate out to other parties any portion of its interest under the Senior Debt and the rights of the Senior Lender under this Agreement shall inure to such participant without such participant being required to become a signatory hereto. Any assignee or transferee shall execute and deliver to the other parties hereto an agreement pursuant to which they become parties hereto as fully as if they were signatories hereto and providing for the effectiveness of this Agreement as to such transferee or assignee and other parties, and the lien and debt priority of such party shall be that of such party's assignor and transferor. This Agreement shall be a continuing agreement, shall be irrevocable and shall remain in full force and effect so long as any of the Senior Debt or the Subordinate Debt is outstanding and so long as the Senior Loan Documents have not been terminated.

12. Notification of Default. The Senior Lender and the County shall give written notice to the other of an Event of Default by the Borrower under Senior Debt or a breach or default by the Borrower under the Subordinate Debt, respectively; provided, however, that the failure to give such notice absent gross negligence shall not be deemed to be a breach of this Agreement and shall not affect the effectiveness or any declaration of such breach, default or Event of Default, as the case may be. Nothing in this Agreement shall be interpreted to limit or restrict the right of the Senior Lender and the County to waive any default under their respective documents, and the Senior Lender, and the County agree that any waiver will be in writing and will be promptly provided to the other parties hereto.

13. Notices. Except as otherwise provided herein, all notices, requests and demands to or upon a party hereto to be effective shall be in writing and shall be sent by certified or registered mail, return receipt requested, personal delivery against receipt, delivery service against receipt, overnight courier service against receipt, or by facsimile and, unless otherwise expressly provided herein, shall be deemed to have been validly serviced, given or delivered when delivered against receipt, or one (1) Business Day after deposit in the mail, postage prepaid, or, in case of facsimile notice, when sent, answer back received, addressed as follows:

If to Senior Lender:

RFLF 4, LLC
222 W. Adams
Suite 1980
Chicago Illinois 60606

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If to County: Robert Rose
Executive Director
Cook County Land Bank Authority
69 West Washington Street, Suite 2938
Chicago, Illinois 60602
rob@cookcountylandbank.org

With a copy to: Brent Denzin
Ancel Glink, P.C.
140 S. Dearborn Street, Suite 600
Chicago, Illinois 60603
bdenzin@ancelglink.com

If to Borrower: Capital Holdings, LLC
1841 S. Calumet Avenue, #T4
Chicago, Illinois 60616
heatherbwilliams@mac.com

With a copy to: Daniel Marko
8254 Kimball Avenue
Skokie, Illinois 60076
dmarko@jkmattorney.com

The parties hereto may designate such other address or fax number by written notice in the aforesaid manner.

14. Amendments; Modifications. This Agreement may not be modified, altered or amended except by an agreement in writing executed by all of the parties hereto.

15. FORUM; AGENT; VENUE; JURY TRIAL WAIVER. TO INDUCE THE SENIOR LENDER TO ACCEPT THIS AGREEMENT, EACH OF THE BORROWER AND THE COUNTY IRREVOCABLY AGREES THAT, SUBJECT TO THE SENIOR LENDER'S SOLE AND ABSOLUTE DISCRETION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT, ARISING OUT OF OR FROM, OR RELATED TO, THIS AGREEMENT SHALL BE LITIGATED ONLY IN COURTS HAVING SITUS WITHIN CHICAGO, ILLINOIS. EACH OF THE BORROWER AND THE COUNTY HEREBY CONSENTS AND AGREES THAT THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, OR, AT THE SENIOR LENDER'S OPTION, THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE PARTIES HERETO PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF, OR RELATED TO, THIS AGREEMENT. EACH OF THE BORROWER AND THE SENIOR LENDER HEREBY IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION IN WHICH IT IS A PARTY.

16. Governing Law. This Agreement shall be governed and controlled by the laws of the State of Illinois without regard to principles of conflict of laws.

17. Severability. In the event any one or more of the provisions contained herein shall for any reason be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction such

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invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed one original and all of which taken together shall constitute one and the same instrument.

19. Definitions. All capitalized terms used in this Agreement which are not specifically defined herein shall have the meaning set forth in the Loan Agreements.

20. The Borrower Acknowledgment. The Borrower hereby consents to this Agreement and agrees to abide by the terms hereof.

IN WITNESS WHEREOF the parties hereto have executed this Intercreditor and Subordination Agreement the day and year first above written.

SENIOR LENDER:

By: *René Garbarossa*
Name: RENÉ GARBAROSSA
Title: VP OF OPERATIONS

COUNTY:

COUNTY OF COOK, ILLINOIS, a body politic and corporate, doing business as Cook County Land Bank Authority

By: *Robert Rose, by BTR*
Name: Robert Rose, Executive Director as attorney in fact

BORROWER:

By: *Heather Williams*
Name: HEATHER WILLIAMS
Title: MEMBER

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
 COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that Krest Deuzia, Sr. & Family, personally known to me to be the same person whose name is subscribed to the forgoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

(SEAL)



Maria Bandish

Notary Public in and for the County of Cook
 State of Illinois

My commission expires 2/9/20

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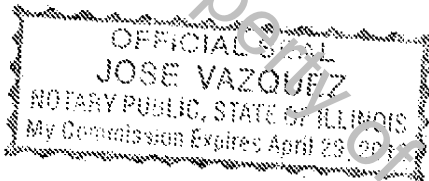
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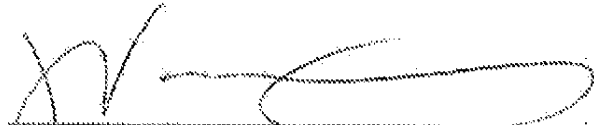
STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that Paul Gonzalez, 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 signed, sealed and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

(SEAL)





Notary Public in and for the County of Cook
State of Illinois

My commission expires

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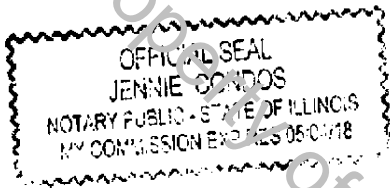
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STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that Heather Williams, personally known to me to be the same person whose name is subscribed to the forgoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

(SEAL)



Jennie Condos
Notary Public in and for the County of Cook
State of Illinois

My commission expires 5/4/18

Proprietor of Cook County Clerk's Office

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EXHIBIT A TO SUBORDINATION AGREEMENT

LEGAL DESCRIPTION

LOT 11 IN BLOCK 1, IN BOYD AND HALL'S SUBDIVISION OF THAT PART NORTH OF THE BALTIMORE AND OHIO RAILROAD OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Number (PIN): 20-25-421-027-0000

Address of Real Estate: 7724 S. Crandon Avenue, Chicago, Illinois 60649

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