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AND WHEN RECORDED MAIL
TO:

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

Doc# 1707506136 Fee \$56.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 03/16/2017 02:02 PM PG: 1 OF 10

212618

SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT (Sponsor Loan)

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") is made as of March 1, 2017, by and among LAWN TERRACE PRESERVATION, L.P., an Illinois limited partnership with a mailing address of 2601 West 63rd Street, Chicago, IL 60629 (the "Mortgagor"), the owner of the fee simple interest in real estate hereinafter described, GREATER SOUTHWEST DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation 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 115 S. LaSalle St. Floor 20W, 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 3214 West 63rd Place, Chicago, Illinois, as more particularly described in Exhibit A attached hereto and made a part hereof .
- B. Mortgagor proposes to rehabilitate, furnish, equip and operate on the Land a multi-family and commercial development project consisting of a building containing one hundred two (102) residential units and three (3) commercial spaces (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 Three Hundred Fifty-Seven Thousand Five Hundred Dollars (\$357,500.00) (the "Subordinated Loan"). The Subordinated Loan is evidenced by a certain promissory note (the "Subordinated Note") dated as of an even date herewith executed by the Mortgagor to the order of Junior Lienholder. The Subordinated Loan is secured by that certain mortgage dated as of an even date herewith (the "Subordinated Mortgage"), executed by Mortgagor in favor of Junior Lienholder to be recorded concurrently herewith encumbering the fee simple interest in the Property.
- 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."

COOK COUNTY RECORDER OF DEEDS

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E. Pursuant to a Bond Issuance Agreement dated as of an even date herewith (the "Bond Issuance Agreement"), between the City of Chicago (the "Issuer") and Bank, the Issuer issued and Bank purchased the Issuer's Multi-Family Housing Revenue Bonds (Lawn Terrace Preservation Project) Series 2017, in the original aggregate principal amount of \$7,200,000 (the "Bonds"). The proceeds of the Bonds have been loaned (the "Loan") to Mortgagor pursuant to that certain Loan Agreement (the "Loan Agreement"), dated as of an even date herewith, among Mortgagor, Bank and the Issuer. Issuer's rights, title and interests in the Loan have been assigned by Issuer to Bank, except for certain unassigned rights.

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

G. The Mortgagor's obligations (hereinafter referred to as the "Senior Obligations") to repay the Loan and to pay the Bonds are secured by a first priority Mortgage, Security Agreement, Assignment of Residential and Commercial Leases and Rents and Fixture Filing (the "Senior Mortgage") executed by Mortgagor in favor of Bank and dated as of an even date herewith. The Senior Mortgage is being recorded concurrently herewith. The Bond Issuance Agreement, the Loan Agreement 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 purchase of the Bonds 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 purchase the Bonds, 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 the other Senior Mortgage 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 and the Subordinated Loan Documents. 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

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remedy under the Senior Mortgage Loan Documents shall not impair the priority of its respective lien under the Senior Mortgage Loan Documents.

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

2.1 Junior Lienholder consents to all provisions of 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 Loan 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 and secured by the 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 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, including, but not limited to, accelerating the Junior Obligations, commencing foreclosure proceedings with respect to the Project, collect rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies.

3. Notices.

3.1 Junior Lienholder agrees to give to Bank copies of all notices of Events of Default under (and as defined in) Subordinated 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.

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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. 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 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 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


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[Signature Page to Subordination Agreement (Sponsor Loan)]

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"

GREATER SOUTHWEST DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation

By: 
Name: Gihan Foreman
Title: Executive Director

Address:
2601 West 63rd Street
Chicago, Illinois 60629-1619
Attention: Executive Director

With a copy to:
Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle St., Suite 1900
Chicago, IL 60605
Attention: Caleb Jewell, Esq.

"Bank"

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

By: _____
Name: Tania Kadakia
Title: Vice President

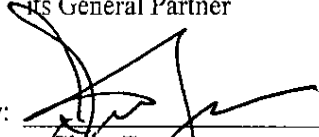
Address:
BMO Harris Bank N.A.
115 S. LaSalle St., Floor 20W
Chicago, Illinois 60603
Attention: Tania Kadakia

With a copy to:
Charity & Associates, P.C.
20 North Clark Street, Suite 1150
Chicago, Illinois 60602
Attention: Brandon Calvert, Esq.

"Mortgagor"

LAWN TERRACE PRESERVATION, L.P., an Illinois limited partnership

By: Lawn Terrace Preservation, NFP, an Illinois not-for-profit corporation
its General Partner

By: 
Name: Gihan Foreman
Title: President

Address Where Notices to Partnership Are To Be Sent:

2601 West 63rd Street
Chicago, Illinois 60629-1619
Attention: Executive Director

With copies to:
Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle St., Suite 1900
Chicago, IL 60605
Attention: Caleb Jewell, Esq.

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[Signature Page to Subordination Agreement (Sponsor Loan)]

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"

GREATER SOUTHWEST DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation

By: _____
Name: Ghian Foreman
Title: President

Address:

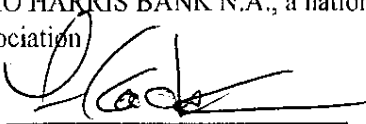
2601 West 63rd Street
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Attention: Executive Director

With a copy to:

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Chicago, IL 60605
Attention: Caleb Jewell, Esq.

"Bank"

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

By: 
Name: Tania Kadakia
Title: Vice President

Address:

BMO Harris Bank N.A.
115 S. LaSalle St., Floor 20W
Chicago, Illinois 60603
Attention: Tania Kadakia

With a copy to:

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

"Mortgagor"

LAWN TERRACE PRESERVATION, L.P., an Illinois limited partnership

By: Lawn Terrace Preservation, NFP, an Illinois not-for-profit corporation its General Partner

By: _____
Name: Ghian Foreman
Title: President

Address Where Notices to Partnership Are To Be Sent:

2601 West 63rd Street
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Attention: Executive Director

With copies to:

Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle St., Suite 1900
Chicago, IL 60605
Attention: Caleb Jewell, Esq.

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UNOFFICIAL COPY**EXHIBIT A
LEGAL DESCRIPTION*******PARCEL 1:**

LOTS 45, 46, 47 AND 48 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 46, 47 AND 48 IN BLOCK 1 IN JOHN F. EBERHART'S SUBDIVISION AFORESAID, ALL TAKEN AS A TRACT, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 48 AFORESAID; THENCE NORTH ALONG THE EAST LINE OF SAID LOT, 122.42 FEET TO A POINT ON A LINE DRAWN 2.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOTS; THENCE WEST, ALONG THE AFORESAID PARALLEL LINE 56.00 FEET TO A POINT ON A LINE DRAWN 56.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOT 48; THENCE SOUTH, ALONG THE AFORESAID PARALLEL LINE, 122.40 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 46; THENCE EAST, ALONG THE SOUTH LINE OF SAID LOTS, 56.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-040-0000 Affects: Lots 45, 46, 47 and 48 of Parcel 1 and the South half of the vacated alley of Parcel 2 lying South of said Parcel

PARCEL 2:

LOTS 1 THROUGH 11 AND THE EAST 1 FOOT OF LOT 12, TOGETHER WITH THE 16 FOOT ALLEY SOUTH OF AND ABUTTING SAID LOTS 1 THROUGH 11 AND THE EAST 1 FOOT OF LOT 12 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

THAT PART OF THE WEST 5.80 FEET OF LOT 2, ALL OF LOTS 3, 4 AND 5, AND THE EAST 11.00 FEET OF LOT 6, TOGETHER WITH THAT PART OF THE NORTH ½ OF THE 16 FOOT VACATED ALLEY LYING SOUTH OF AND ADJOINING SAID WEST 5.80 FEET OF LOT 2, ALL OF LOTS 3, 4 AND 5, AND THE EAST 11.00 FEET OF LOT 6, LYING ABOVE A CITY OF CHICAGO DATUM PLANE OF +25.97 FEET AND LYING BELOW A CITY OF CHICAGO DATUM PLANE OF +34.96 FEET, ALL IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-008-0000 Affects: Lot 9 and North half of vacated alley lying South of said Lot of Parcel 2

PIN 19-23-203-009-0000 Affects: Lot 8 and North half of vacated alley lying South of said Lot of Parcel 2

PIN 19-23-203-010-0000 Affects: Lot 7 and North half of vacated alley lying South of said Lot of Parcel 2

PIN 19-23-203-011-0000 Affects: Part of Parcel 2, Parcel 7 and other property

PIN 19-23-203-012-0000 Affects: Part of Parcel 2, Parcel 7 and other property

PIN 19-23-203-013-0000 Affects: Part of Parcel 2, Parcel 7 and other property

PIN 19-23-203-014-0000 Affects: Part of Parcel 2, Parcel 7 and other property

PIN 19-23-203-037-0000 Affects: East 1 foot of Lot 12, the West part of lot 11 and the North half of vacated alley of Parcel 2 lying South of said Lot of Parcel 2

PIN 19-23-203-038-0000 Affects: East part of Lot 11 and all of Lot 10 and the North half of vacated alley of Parcel 2 lying South of said Lot of Parcel 2

PARCEL 3:

LOTS 41 AND 42 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-025-0000 Affects: Parcel 3 and the South half of the vacated alley of Parcel 2 lying South of said Parcel

Continued...

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Exhibit A – continued...

PARCEL 4:

LOTS 43 AND 44 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-026-0000 Affects: Parcel 4 and the South half of the vacated alley of Parcel 2 lying South of said Parcel

PARCEL 5:

THE EAST 15 FEET OF LOT 37, LOT 38, AND LOT 39 (EXCEPT THE EAST 10 FEET THEREOF) IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-035-0000 Affects: Parcel 5 and the South half of the vacated alley of Parcel 2 lying South of said Parcel

PARCEL 6:

THE EAST 10 FEET OF LOT 39 AND ALL OF LOT 40 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 2 IN JOHN F. EBERHART'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PIN 19-23-203-036-0000 Affects: Parcel 6 and the South half of the vacated alley of Parcel 2 lying South of said Parcel

COMMONLY KNOWN AS 3214 WEST 63RD PLACE, CHICAGO, ILLINOIS 60629

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