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PREPARED BY AND WHEN
RECORDED MAIL TO:

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

Stewart Title NTS- Chicago
10 S. Fawcett Plaza, Suite 1450
PH: 312 849-4400
File No: 1700031584

20 of 22

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KAREN A. YARBROUGH	
COOK COUNTY RECORDER OF DEEDS	
DATE:	03/14/2018 03:19 PM PG: 1 OF 11

(SPACE ABOVE FOR RECORDER'S USE)

SUBORDINATION AGREEMENT (Sponsor Loans)

THIS SUBORDINATION AGREEMENT ("*Agreement*") is made as of March 12, 2018, by and among **RICHARD FLOWERS COMMUNITY HOUSING, LLC**, an Illinois limited liability company ("*Borrower*"), **HOUSING AUTHORITY OF COOK COUNTY**, an Illinois municipal corporation ("*Junior Lienholder*"), and **BMO HARRIS BANK N.A.**, a national banking association ("*Bank*" and "*Senior Lender*").

RECITALS

A. Borrower is lessee of certain land (the "*Land*") situated at 13900 S. Grace Avenue, Robbins, Illinois 60472, legally described on *Exhibit A* attached hereto.

B. Borrower intends to rehabilitate on the Land 100 units of affordable housing owned by Borrower (the "*Project*").

C. As more fully provided in that certain Funding Loan Agreement (the "*Funding Loan Agreement*") dated as of even date herewith by and between Senior Lender, as lender, the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois ("*IHDA*"), as governmental agent, and ZB, National Association dba Zions Bank, a national banking association, as fiscal agent, Senior Lender is making a funding loan (the "*Funding Loan*") to IHDA, as governmental agent, in the principal amount of \$10,123,241.00. The Funding Loan is evidenced by that certain \$10,123,241.00 Multifamily Mortgage Revenue Note, 2018 Series C (Richard Flowers Homes) (the "*Funding Loan Note*") from IHDA to the order of Senior Lender.

D. As more fully provided in that certain Borrower Loan Agreement (the "*Senior Loan Agreement*"), dated as of even date herewith, between Borrower, as borrower, and IHDA, as lender, IHDA has agreed to make a loan to Borrower in the principal amount of \$10,123,241.00 (the "*Senior Loan*"), which loan is evidenced by that certain Promissory Note-Borrower Loan, dated as of a substantially even date herewith, in the stated principal amount of the Senior Loan from Borrower to the order of IHDA (the "*Senior Note*"). The proceeds of the Senior Loan are to be used to finance in part the construction, rehabilitation and development of the Project.

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E. As security for IHDA's promise to make the payments required to be made under the Funding Loan Note, the interest of IHDA in: (i) that certain Leasehold Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, by Borrower for the benefit of IHDA, dated as of even date herewith (together with all renewals, modifications, increases and extensions thereof, the "**Senior Mortgage**"), encumbering Borrower's interest in certain real estate described on Exhibit A attached hereto and made a part hereof, and all buildings, structures and improvements now or hereafter constructed thereon (collectively, the "**Property**"), (ii) the Senior Loan Agreement, (iii) the Senior Note, and (iv) certain other documents, as provided in the Senior Loan Agreement (except for the Unassigned Rights (as defined in the Senior Loan Agreement), have been pledged and assigned to Senior Lender pursuant to the terms of the Senior Loan Agreement and that certain Assignment of Mortgage, dated as of even date herewith, from IHDA to Senior Lender.

F. The Senior Mortgage is being recorded concurrently herewith in the Office of the County of Cook, State of Illinois ("**Official Records**"). The Senior Mortgage, the Senior Note and the other Borrower Loan Documents (as defined in the Senior Loan Agreement) are hereinafter collectively referred to as the "**Senior Loan Documents**".

G. The Borrower has requested the Senior Lender permit the Junior Lienholder to make a loan to the Borrower in an amount not to exceed Two Million Six Hundred Twenty-Five Thousand Five Hundred and 00/100 Dollars (\$2,625,500.00) (the "**DTC Loan**") and a loan to the Borrower in an amount not to exceed Five Hundred Thousand and 00/100 Dollars (\$500,000.00) (the "**Contingent Loan**", and together with the DTC Loan, collectively the "**Junior Loans**").

H. Each of the documents listed on **Exhibit B** together with all other documents and materials entered into with the Junior Lienholder with respect to the Junior Loans shall be referred to collectively as the "**Junior Obligation Documents**".

I. As used herein, the term "**Junior Obligations**" means any and all indebtedness, claims, debts, liabilities or other obligations from Borrower to Junior Lienholder under the Junior Obligation Documents, together with all costs and expenses, including attorneys' fees, of collection thereof, whether the same accrues or is incurred before or after the commencement of any bankruptcy case by or against Borrower.

J. As used herein, the term "**Bank Indebtedness**" means any and all indebtedness, claims, debts, liabilities or other obligations from Borrower to IHDA and/or Senior Lender under the Senior Loan Documents, together with all interest accruing thereon and all costs and expenses, including attorneys' fees, of collection thereof, whether the same accrues or is incurred before or after the commencement of any bankruptcy case by or against Borrower.

K. Except with respect to the Junior Obligation Documents, and the Regulatory Agreements (as defined in the Senior Loan Agreement), pursuant to the Senior Mortgage and the other Senior Loan Documents, Borrower is not entitled to further encumber the Project without the prior written consent of Senior Lender, which consent may be withheld in Senior Lender's sole discretion.

L. It is a condition precedent to Senior Lender to entering into the Senior Loan Documents and permitting the recordation of any of the Junior Obligation Documents that the Senior Mortgage and the other Senior Loan Documents be and remain at all times a lien or charge upon the Project, prior and superior to the liens or charges of the Junior Obligation Documents.

M. Senior Lender is willing to permit the recordation of the recordable Junior Obligation Documents, provided that (1) the Senior Mortgage and the other Senior Loan Documents are a lien or

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charge upon the Project prior and superior to the liens or charges of the Junior Obligation Documents, and (2) Junior Lienholder will specifically subordinate the liens or charges of the Junior Obligation Documents to the lien or charge of the Senior Loan Documents.

N. Junior Lienholder is willing that the Senior Loan Documents shall constitute a lien or charge upon the Project which is prior and superior to the liens or charges of the Junior Obligation Documents. The parties hereto enter into this Agreement for the purposes set forth in these Recitals.

O. Capitalized terms used herein and not otherwise defined shall have the meanings set forth for them in the Senior Loan Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Senior Lender to make the Senior Loan, it is hereby declared, understood, and agreed as follows:

1. Subordination. The Senior Mortgage and other Senior Loan Documents in favor of Senior Lender, and all amendments, modifications, extensions and renewals thereof shall unconditionally be and remain at all times a lien or charge on the Project prior and superior to the lien or charge of the Junior Obligation Documents. Junior Lienholder intentionally and unconditionally subordinates the lien or charge of the Junior Obligation Documents in favor of the lien or charge upon the Project of the Senior Mortgage and other Senior Loan Documents in favor of Senior Lender, and understands that in reliance upon and in consideration of this 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 which would not be made or entered into but for said reliance upon this subordination.

2. Only Agreement Regarding Subordination. Senior Lender would not permit the recordation of any Junior Obligation Documents without this Agreement. This Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Junior Obligation Documents to the lien or charge of the Senior Mortgage and the other Senior Loan Documents and shall supersede and cancel, but only insofar as would affect the priority between said mortgages and said covenants, conditions and restrictions, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Junior Obligation Documents which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

3. Loan Disbursements. In making disbursements pursuant to any of the Senior Loan Documents, Senior Lender is under no obligation or duty to, nor has Senior Lender represented that it will, see to the application of such proceeds by the person or persons to whom Senior Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such Senior Loan Document(s) shall not defeat the subordination herein made in whole or in part.

4. Consent and Approval. Junior Lienholder has received and consents to and approves the Senior Loan Documents, including but not limited to any extension, modification and/or amendment of said agreements, between Borrower and Senior Lender, provided that any extension, modification and/or amendment does not increase the amount of the Senior Loan, increase the interest rate of the Senior Loan or modify the maturity date of the Senior Loan. No decision by Junior Lienholder to review or not review the Senior Loan Documents, including but not limited to the disbursement provisions contained therein, shall impair or otherwise limit the enforceability of this Agreement.

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5. Other Agreements. Junior Lienholder and Borrower declare, agree, and acknowledge that:

5.1 Subordination of Indebtedness. Any and all Junior Obligations are hereby subordinated and subject to any and all Bank Indebtedness, as set forth herein.

5.2 Permitted Payments. Borrower may make payments under the Junior Obligation Documents, if required, as long as all payments under the Senior Mortgage and the other Senior Loan Documents are current and not delinquent or in arrears, and only so long as at the time of such payment: (i) no Event of Default exists under the Senior Loan Agreement and no event exists which, with the lapse of time or the giving of notice or both, would be an Event of Default under the Bank Indebtedness of which Junior Lienholder has received notice; and (ii) the payment would not result in a violation of any of Borrower's financial covenants set forth in any of the Senior Loan Documents ("*Permitted Payments*").

5.3 Payment Subordination. Except for any Permitted Payments, (a) all of the Bank Indebtedness now or hereafter existing shall be first paid in full by Borrower before any payment shall be made by Borrower on the Junior Obligations, and (b) this priority of payment shall apply at all times until all of the Bank Indebtedness has been repaid in full. In the event of any assignment by Borrower for the benefit of Borrower's creditors, or any bankruptcy proceedings instituted by or against Borrower, or the appointment of any receiver for Borrower or Borrower's business or assets, or of any dissolution or other winding up of the affairs of Borrower or of Borrower's business, and in all such cases respectively, Borrower's officers and any assignee, trustee in bankruptcy, receiver and other person or persons in charge are hereby directed to pay to Senior Lender the full amount of the Bank Indebtedness before making any payments to Junior Lienholder due under the Junior Obligations.

5.4 Return of Prohibited Payments. Except as otherwise expressly agreed to herein, if Junior Lienholder shall receive any payments or other rights in any property of Borrower in connection with the Junior Obligations in violation of this Agreement, such payment or property shall immediately be delivered and transferred to Senior Lender after notice to Junior Lienholder.

5.5 Repayment of Bank Indebtedness. This Agreement shall remain in full force and effect until all amounts due under the Senior Note and the Senior Loan Agreement are fully repaid in accordance with their respective terms and all of the terms of this Agreement have been complied with.

5.6 Standstill. Junior Lienholder agrees that, except as otherwise set forth herein, without the Senior Lender's prior written consent, it will not accelerate the Junior Obligations, commence foreclosure proceedings with respect to the Project, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action.

6. Addresses for Notices.

All notices, requests, consents, demands and other communications required or which any party desires to give hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by nationally recognized overnight courier service, or by certified United States mail, postage prepaid, addressed to the party to whom directed at the addresses specified below (unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided that service of a notice required by any applicable statute shall be considered complete when the requirements of that statute are met.

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The address of Senior Lender for all purposes under this Agreement and for all notices hereunder shall be:

BMO Harris Bank N.A.
115 S. LaSalle St., Floor 20W
Chicago, Illinois 60603
Attention: Allison Porter-Bell

With copy to:

Charity & Associates, P.C.
20 N. Clark St., Suite 1150
Chicago, Illinois 60602
Attention: Brandon R. Calvert

The address of Junior Lienholder for all purposes under this Agreement and for all notices hereunder shall be:

Housing Authority of Cook County
175 West Jackson Boulevard, Suite 350
Chicago, Illinois 60604
Attention: Richard J. Monocchio, Executive Director

With a copy to:

Nixon Peabody LLP
799 9th Street
Suite 500
Washington, D.C. 20001
Attention: Patrice J. Harris, Esq.

The address of Borrower for all purposes under this Agreement and for all notices hereunder shall be:

Richard Flowers Community Housing, LLC
175 West Jackson Boulevard, Suite 350
Chicago, Illinois 60604
Attention: Richard J. Monocchio, Executive Director

With a copy to:

Nixon Peabody LLP
799 9th Street
Suite 500
Washington, D.C. 20001
Attention: Patrice J. Harris, Esq.

7. Bankruptcy Provisions. To the extent any payment under any Senior Loan Document (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under the Bankruptcy Code or any federal or state bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or

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other similar party, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

8. Casualty Insurance Proceeds; Condemnation Proceeds. In the event Bank shall release, for the purposes of restoration of all or any part of the improvements, its right, title and interest in and to the proceeds under policies of insurance thereon, and/or its right, title and interest in and to any awards, or its right, title and interest in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, Junior Lienholder shall simultaneously release (and hereby agrees that it shall be irrevocably and unconditionally deemed to have agreed to release) for such purpose all of Junior Lienholder's right, title and interest, if any, in and to all such insurance proceeds, awards or compensation. Junior Lienholder agrees that the balance of such proceeds remaining after such restoration, or all of such proceeds in the event Bank elects, in accordance with Illinois law, not to release any such proceeds for any such restoration, shall be applied to the payment of amounts due under the Senior Loan Documents until all such amounts have been paid in full, prior to being applied to the payment of any amounts due under the Junior Obligation Documents. If Bank holds such proceeds, awards or compensation and/or monitors the disbursement thereof, Junior Lienholder agrees that Bank may also elect, in its sole and absolute discretion, to hold and monitor the disbursement of such proceeds, awards and compensation to which Junior Lienholder is or may be entitled. Nothing contained in this Agreement shall be deemed to require Bank, in any way whatsoever, to act for or on behalf of Junior Lienholder or to hold or monitor any proceeds, awards or compensation in trust for or on behalf of Junior Lienholder, and all or any of such sums so held or monitored may be commingled with any funds of Bank.

9. Effect of Other Agreements. The relationship between Borrower and Bank under the Senior Loan Documents is, and shall at all times remain, solely that of borrower and lender. Based thereon, Junior Lienholder acknowledges and agrees that Bank neither undertakes nor assumes any fiduciary responsibility or other responsibility or duty to Borrower or Junior Lienholder to guarantee or assist in Borrower's or Junior Lienholder's performance under any of the agreements between those parties and other third parties, including without limitation the Junior Obligation Documents.

10. Miscellaneous. This Agreement may be executed in multiple counterparts and the signature page(s) and acknowledgment(s) assembled into one original document for recordation, and the validity hereof shall not be impaired by reason of such execution in multiple counterparts. This Agreement is to be governed according to the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In the event of action, suit, proceeding or arbitration to enforce any term of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party, as determined by the court or arbitrator, all of the prevailing party's costs and expenses, including without limitation reasonable attorneys' fees and expert witness fees, incurred by the prevailing party in connection therewith. If Junior Lienholder or any affiliate of Junior Lienholder shall acquire, by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Project, that lien, estate, right or other interest shall be subordinate to the Senior Mortgage and the other Senior Loan Documents as provided herein, and Junior Lienholder hereby waives, on behalf of itself and such affiliate, until all amounts owed under the Senior Loan Documents have been indefeasibly paid in full and all Bank's obligations to extend credit under the Senior Loan Documents have terminated, the right to exercise any and all such rights it may acquire by indemnification, subrogation or otherwise. The Agreement shall inure to the benefit of, and the binding upon, the parties hereto and the respective successors and assigns.

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[SECOND SIGNATURE PAGE TO SUBORDINATION AGREEMENT – SPONSOR LOANS]

JUNIOR LIENHOLDER:

HOUSING AUTHORITY OF COOK COUNTY,
an Illinois municipal corporation

By: Richard J. Monocchio
Name: Richard J. Monocchio
Title: Executive Director

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Richard J. Monocchio, personally known to me to be the Executive Director of Housing Authority of Cook County, an Illinois municipal corporation, 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 and delivered the said instrument in his/her capacity as RICHARD J. MONOCCHIO of Housing Authority of Cook County, as his/her free and voluntary act and deed and as the free and voluntary act and deed of Housing Authority of Cook County, for the uses and purposes therein set forth.

Given under my hand and official seal this 6th day of MARCH, 2018.

(SEAL)

Deborah A. Kyker
Notary Public



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[THIRD SIGNATURE PAGE TO SUBORDINATION AGREEMENT – SPONSOR LOANS]

BORROWER:

RICHARD FLOWERS COMMUNITY HOUSING, LLC,
an Illinois limited liability company

By: Richard Flowers Community Housing Group, LLC,
an Illinois limited liability company,
its managing member

By: Richard J. Monocchio
Name: RICHARD J. MONOCCHIO
Title: EXECUTIVE DIRECTOR / PRESIDENT

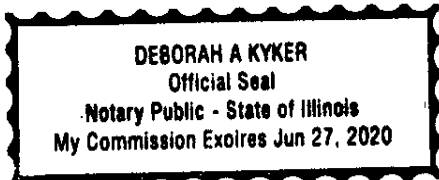
STATE OF ILLINOIS
COUNTY OF COOK

I, DEBORAH A KYKER, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. MONOCCHIO, the EXECUTIVE DIRECTOR / PRESIDENT of Richard Flowers Community Housing Group, LLC, an Illinois limited liability company (the "Member"), the managing member of Richard Flowers Community Housing, LLC, an Illinois limited liability company (the "Company"), personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of the Member as managing member of and on behalf of the Company, all for the uses and purposes set forth therein.

Given under my hand and official seal this 6TH day of MARCH, 2018.

(SEAL)

Deborah A. Kyker
Notary Public



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EXHIBIT "A"

LEGAL DESCRIPTION

Parcel 1:

The leasehold estate or interest in the land described below and covered herein is:

LOTS 303 TO 328, BOTH INCLUSIVE, IN BLOCK 6, LOTS 345 TO 375, BOTH INCLUSIVE, IN BLOCK 7, LOTS 389 TO 395, BOTH INCLUSIVE, IN BLOCK 7, AND LOTS 396 TO 413 (EXCEPT THE SOUTHWESTERLY 16 FEET OF LOT 396), BOTH INCLUSIVE, IN BLOCK 7; TOGETHER WITH VACATED GRACE AVENUE LYING ADJACENT TO SAID LOTS 303 TO 328 AND SAID LOTS 346 TO 375; ALSO TOGETHER WITH THE VACATED ALLEY LYING ADJACENT TO SAID LOTS 345 TO 375 AND SAID LOTS 397 TO 412 AND SAID LOTS 355 AND 396, IN SAID BLOCK 7 (EXCEPT THE SOUTHWESTERLY 16 FEET THEREOF); ALL IN "CLAIRMOUNT" JAS. J. SMITH & CO'S 4TH SUBDIVISION OF LOTS 1, 5, 6 AND 7 IN LUECHTENMEYERS SUBDIVISION, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 2, ALSO EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, (EX; TRIANGULAR PIECE SOUTH EAST CORNER BOUNDED BY CLEVELAND STREET, HOMAN AVENUE AND CLAIRE BOULEVARD), IN SECTION 2, TOWNSHIP 36, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, SITUATED IN THE VILLAGE OF ROBBINS, ACCORDING TO THE PLAT THEREOF RECORDED JULY 15, 1892 AS DOCUMENT NUMBER 1701452, IN COOK COUNTY, ILLINOIS.

Parcel 2:

FEE SIMPLE OWNERSHIP OF ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED ON THE LAND DESCRIBED AS PARCEL 1.

Commonly known as: 13900 S. Grace Ave., Robbins, IL 60472

PINS:

28-02-404-053 THROUGH 069

28-02-404-085

28-02-404-001 THROUGH 031

28-02-403-024 THROUGH 049

28-02-404-086

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EXHIBIT "B"

JUNIOR OBLIGATION DOCUMENTS

ALL DOCUMENTS DATED MARCH 12, 2018 UNLESS OTHERWISE NOTED.

1. Secured Loan Agreement between Borrower and Junior Lienholder regarding the DTC Loan;
2. Promissory Note executed by Borrower in favor of Junior Lienholder evidencing the DTC Loan;
3. Junior Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement, executed by Borrower in favor of Junior Lienholder securing the DTC Loan;
4. Secured Loan Agreement between Borrower and Junior Lienholder regarding the Contingent Loan;
5. Promissory Note executed by Borrower in favor of Junior Lienholder evidencing the Contingent Loan; and
6. Junior Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement, executed by Borrower in favor of Junior Lienholder securing the Contingent Loan.



A large, stylized handwritten signature in black ink, enclosed within a rectangular border. The signature consists of several large, sweeping loops and curves.