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Doc# 1903918082 Fee \$62.00

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

EDWARD H. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 02/08/2019 03:58 PM PG: 1 OF 13

This document prepared by and after recording return to:  
Scott D. Fehlan, Esq.  
City of Chicago  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

## SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of February 7, 2019 between the City of Chicago by and through its Department of Planning and Development (the "City"), PNC Community Development Company, LLC ("Bridge Lender"), National Cooperative Bank, N.A., a national bank ("Senior Lender") and CDF Suballocatee XXXVII LLC, an Illinois limited liability company ("NMTC Lender") (each of Bridge Lender, Senior Lender and NMTC Lender shall be referred to herein as a "Lender").

### WITNESSETH:

WHEREAS, 7131 Jeffrey Development, LLC, an Illinois limited liability company ("Owner"), intends to purchase (the "Acquisition") certain property located within the Redevelopment Area at 2101 E. 71st St, Chicago, Illinois and legally described on Exhibit A hereto (the "Property"), and Owner shall commence and complete construction and rehabilitation on the Property of a retail shopping center known as Jeffrey Plaza shopping center, containing (i) approximately 113,300 square feet of retail space, including an approximately 62,000 square foot grocery store space (the "Grocery Store") to be occupied by Shop & Save Market, and (ii) on-site parking spaces (collectively, such retail shopping center shall be referred to as the "Facility" and the construction and leasing of the Facility shall be referred to herein as the "Project");

WHEREAS, Owner and Jeffrey Advisors LLC, an Illinois limited liability company ("JAL"; together with Owner, collectively, the "Developer") desire to enter into a certain Jeffrey Plaza Redevelopment Agreement dated the date hereof with the City and recorded with the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder"), on 2-8, 2019, as Document No. 1903918082, in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto, including but not limited to the Junior Mortgage (as defined in the Redevelopment Agreement), collectively as the "City Agreements");

WHEREAS, Senior Lender is making the Senior Loan (as defined in the Redevelopment Agreement) to Developer on or about the date hereof pursuant to that certain Construction Loan Agreement by and between Senior Lender and Developer (the "Senior Loan

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Agreement”), which loan will provide a portion of the proceeds used to finance the Project (the Senior Loan Agreement, together with all other agreements and documents executed and/or delivered in connection therewith or referred to therein, including without limitation the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of the date hereof and recorded with the Recorder on 2-8, 2019, as Document No. 1903918078 (the “Senior Mortgage”), as amended, modified or renewed from time to time, describing financing in a principal amount not to exceed (i) the original principal amount of the Senior Loan provided by Senior Lender and (ii) the amount of cash equity contributed by Developer under the Redevelopment Agreement, collectively, the “Senior Loan Documents”).

WHEREAS, Bridge Lender is making the Bridge Loan (as defined in the Redevelopment Agreement) to Developer on or about the date hereof pursuant to that certain Loan Agreement by and between Bridge Lender and Developer (the “Bridge Loan Agreement”), which loan will provide a portion of the proceeds used to fund the leverage loan JAL is making in connection with the proposed New Markets Tax Credit transaction for the Project on or about the date hereof (the Bridge Loan Agreement, together with all other agreements and documents executed and/or delivered in connection therewith or referred to therein, as amended, modified or renewed from time to time, describing financing in a principal amount not to exceed (i) the original principal amount of the Bridge Loan provided by Bridge Lender and (ii) the amount of cash equity contributed by Developer under the Redevelopment Agreement, collectively, the “Bridge Loan Documents”).

WHEREAS, NMTC Lender is making certain loans to Owner on or about the date hereof (the “QLICI Loan”) pursuant to that certain Loan Agreement by and between NMTC Lender and Owner (the “NMTC Loan Agreement”), which loan will be used finance the construction and development of the Project (the NMTC Loan Agreement, together with all other agreements and documents executed and/or delivered in connection therewith or referred to therein, including without limitation the Mortgage and Security Agreement, Assignment of Leases and Rents, and Fixture Filing (Jeffery Plaza) dated as of the date hereof and recorded with the Recorder on 2-8, 2019, as Document No. 1903918080 (the “NMTC Mortgage”), (as amended, modified or renewed from time to time, describing financing in a principal amount not to exceed (i) the original principal amount of the NMTC Loan provided by NMTC Lender and (ii) the amount of cash equity contributed by Developer under the Redevelopment Agreement, collectively, the “NMTC Loan Documents”, and together with the Senior Loan Documents and the Bridge Loan Documents, the “Loan Documents”);

WHEREAS, JAL and Owner have entered into that certain Commercial Lease as of January 31, 2019, pursuant to which JAL leases the Property from Owner (the “Master Lease”).

WHEREAS, (a) in connection with the Senior Loan, Senior Lender, JAL and Owner have entered into that certain Subordination and Attornment Agreement with respect to the Master Lease, and (b) in connection with the NMTC Loan, NMTC Lender, JAL and Owner have entered into that certain Subordination and Attornment Agreement with respect to the Master Lease (collectively, the “Subordination and Attornment Agreement”).

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 (Covenant to Redevelop), 8.06 (Operating Covenant; Occupancy Covenant; Job Creation), 8.19 (Real Estate Provisions), 8.20 (Payment upon Sale or Refinancing), 8.21 (Annual Compliance

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Report) and 8.24 (Master Lease and Lease Representations, Warranties and Covenants) of the Agreement (collectively, the "City Encumbrances"); and

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by each Lender 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, each Lender and the City agree as hereinafter set forth:

1. Subordination.

(a) All rights, interests and claims of each Lender 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.

(b) The City hereby acknowledges that the Junior Mortgage (as defined in the Redevelopment Agreement) from JAL in favor of the City shall be subordinate and subject in all respect to the Subordination and Attornment Agreement and to Lenders' rights thereunder. In the event JAL grants a New Mortgage (as defined in the Redevelopment Agreement) to the City, such New Mortgage shall be subordinate to any mortgage given at any time by JAL to Bridge Lender pursuant to the Bridge Loan Documents with respect to the Property.

(c) Nothing herein, however, shall be deemed to limit each Lender's right to receive, and Developer's ability to make, payments and prepayments of principal and interest pursuant to the respective Loan Documents, or to exercise its rights pursuant to the respective Loan Documents except as provided herein.

2. Notice of Default. Each Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to each Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the respective Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer's default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Consent. Pursuant to Section 16 of the Redevelopment Agreement, the City hereby consents to JAL and/or Owner, as applicable, executing the Senior Mortgage and the NMTC Mortgage, each of which constitutes a "Permitted Mortgage" (as defined in the Redevelopment Agreement). The execution and recordation of the Senior Mortgage and the NMTC Mortgage will not constitute a breach of or default under the Redevelopment Agreement.

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4. Waivers. No waiver shall be deemed to be made by City or a Lender 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 City or such Lender 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 City and each Lender.

6. 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.

7. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as shown on the signature page hereto or to such other address as either 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.


8. 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.

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

CITY:

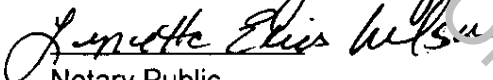
CITY OF CHICAGO

By:   
Name: David L. Reifman  
Title: Commissioner, Department of Planning and Development

STATE OF ILLINOIS)  
) SS  
COUNTY OF COOK)

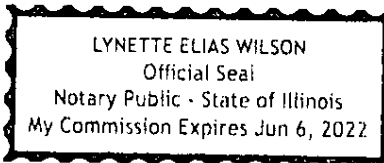
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT David L. Reifman, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her 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 29 day of January, 2019.

  
Notary Public

My Commission Expires

(SEAL)



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**Notice Address for City:**

City of Chicago  
Department of Planning and Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

COOK COUNTY  
RECORDER OF DEEDS

**With copies to:**

City of Chicago  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division

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

**PNC COMMUNITY DEVELOPMENT COMPANY, LLC,**  
a Delaware limited liability company

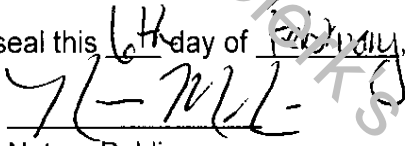
By:

  
Thurman Smith  
Vice President

STATE OF ILLINOIS)  
) SS  
COUNTY OF COOK)

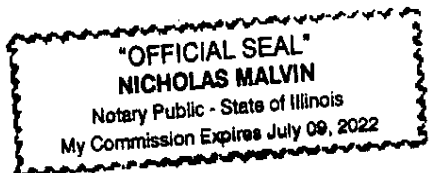
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Thurman Smith, personally known to me to be the Vice President of PNC Community Development Company, LLC, a Delaware limited liability company ("PNC") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said PNC, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6<sup>th</sup> day of February, 2019.

  
Notary Public

My Commission Expires

(SEAL)



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

NATIONAL COOPERATIVE BANK, N.A.

By: Gloria Exum  
Gloria Exum,  
Senior Vice President

Commonwealth of Virginia )  
STATE OF Virginia )  
COUNTY OF Arlington ) SS

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Gloria Exum, personally known to me to be the SVP of National Cooperative Bank, N.A. 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 Officer (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said National Cooperative Bank, N.A., for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30<sup>th</sup> day of January, 2019.

Monica Y Fisher  
Notary Public Monica Y Fisher

My Commission Expires 7/31/2019  
(SEAL)



Monica Y Fisher  
NOTARY PUBLIC  
Commonwealth of Virginia  
Reg. #7117298  
My Commission Expires  
7/31/2019



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**Notice Address for National Cooperative Bank, N.A.:**

National Cooperative Bank, N.A.  
2011 Crystal Drive, Suite 800  
Arlington, VA 22202  
Attn: Corporate Banking  
Email: gexum@ncb.coop

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**With copies to:**

Gallagher Evelius & Jones LLP  
218 N. Charles Street, Suite 400  
Baltimore, MD 21201  
Attn: Michael J. Henigan, Esquire  
Email: mhenigan@gejlaw.com

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## Signature page to Subordination Agreement

**LENDER:**

**CDF SUBALLOCATEE XXXVII, LLC**, an Illinois limited liability company

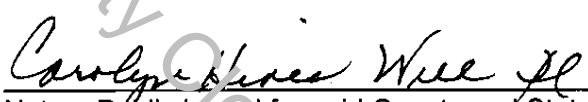
By: CDF Management LLC, its Managing Member

By:   
 Aarti Kotak, Vice President and Secretary-Treasurer

STATE OF ILLINOIS )  
 ) SS  
 COUNTY OF COOK )

On February 1, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Aarti Kotak known to me to be the Vice President and Secretary-Treasurer of CDF Management LLC, an Illinois limited liability company, managing member of CDF Suballocatee XXXVII, LLC, an Illinois limited liability company, and acknowledged to me that such individual executed the within instrument on behalf of said limited liability company.

WITNESS my hand and official seal.

  
 Notary Public in and for said County and State

[SEAL]



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**NOTICE ADDRESS:**

CDF Suballocatee XXXVII, LLC  
c/o Department of Planning and Development, City of Chicago  
121 N LaSalle, Room 1000  
Chicago, IL 60602  
Attention: Commissioner, Department of Planning and Development  
Fax: (312) 747-9207  
Attention: Deputy Commissioner for Development Finance, Department of Planning and Development  
Fax: (312) 744-2324

**WITH COPIES TO:**

Perkins Coie LLP  
131 S. Dearborn Street Suite 1700  
Chicago, IL 60603-5559  
Attention: Melissa Oka  
Telephone: (312) 324-8483  
Facsimile: (312) 324-9483  
E-mail: moka@perkinscoie.com

**AND**

S.B. Friedman & Company  
221 North LaSalle Street, Suite 820  
Chicago, Illinois 60601  
Attention: Tony Q. Smith  
Telephone: (312) 424-4254  
Facsimile: (312) 424-4262  
E-mail: tsmith@sbfriedman.com

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## Exhibit A to Subordination Agreement

Legal Description of the Property:

PARCEL 1:

THE WEST 74.14 FEET OF LOT 7, LOTS 8 AND 9 (EXCEPT THE NORTH 22 FEET OF SAID LOTS 7, 8 AND 9); THE NORTH 67 FEET AND THE SOUTH 100 FEET OF LOT 11, LOTS 12, 13 AND LOT 16 (EXCEPT THE EAST 32 FEET THEREOF AND EXCEPT THE WEST 7.67 FEET OF LOT 16) ALL IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 11 TO 20, BOTH INCLUSIVE (EXCEPT THE NORTH 22 FEET OF LOTS 11 AND 16), IN CARL LUNDAHL'S RESUBDIVISION OF LOTS 5 AND 6 AND LOT 7 (EXCEPT THE WEST 74.14 FEET THEREOF) IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE VACATED 8-FOOT WIDE NORTH-SOUTH ALLEY LYING WEST OF AND ADJOINING LOTS 11 TO 15 AFORESAID, AND ALL OF VACATED CLYDE AVENUE LYING EAST OF AND ADJOINING LOTS 11 TO 15, LYING WEST OF AND ADJOINING LOTS 16 TO 20 AFORESAID, LYING NORTH OF A LINE EXTENDED FROM THE SOUTHEAST CORNER OF SAID LOT 15 TO THE SOUTHWEST CORNER OF SAID LOT 20, AND LYING SOUTH OF A LINE EXTENDED FROM A POINT ON THE EAST LINE OF SAID LOT 11, A DISTANCE OF 22.00 FEET SOUTH OF THE NORTHEAST CORNER THEREOF TO A POINT ON THE WEST LINE OF SAID LOT 16, A DISTANCE OF 22.00 FEET SOUTH OF THE NORTHWEST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1 TO 7, BOTH INCLUSIVE, IN E.T. HENDEE'S RESUBDIVISION OF LOTS 14, 15 AND THE WEST 7.67 FEET OF LOT 16 IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE VACATED 16-FOOT WIDE NORTH-SOUTH ALLEY LYING WEST OF AND ADJOINING SAID LOTS 1 TO 5 AFORESAID, AND ALL OF VACATED CLYDE AVENUE, LYING EAST OF AND ADJOINING SAID LOTS 1 TO 5, AND LYING SOUTH OF THE NORTH LINE OF LOT 5, EXTENDED EAST AND LYING NORTH OF THE SOUTH LINE OF LOT 1 EXTENDED EAST, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS APPURTENANT TO AND FOR THE BENEFIT OF PARCELS 1, 2 AND 3, TAKEN AS A TRACT, OVER, ACROSS AND UPON THE SOUTH 20.00 FEET OF LOT 10 IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND ALSO A NON-EXCLUSIVE EASEMENT FOR PARKING PURPOSES APPURTENANT TO AND FOR THE

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BENEFIT OF SAID PARCELS 1, 2 AND 3, TAKEN AS A TRACT, OVER THOSE PORTIONS OF LOT 10 (EXCEPT THE NORTH 22.00 FEET THEREOF) IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION, AFORESAID, CONSTRUCTED FOR THE PURPOSE OF PARKING MOTOR VEHICLES, AS CREATED BY RECIPROCAL GRANT OF EASEMENTS AGREEMENT DATED FEBRUARY 23, 1989 AND RECORDED JUNE 29, 1989 AS DOCUMENT NO. 89298743 AND FILED JUNE 29, 1989 AS DOCUMENT LR 3805916.

Common address and PINs:

2101 E. 71st St, Chicago, Illinois

- 20-25-200-034
- 20-25-200-036
- 20-25-200-037
- 20-25-201-033
- 20-25-201-035

- 2100 E. 72nd St., Chicago, IL
- 7131 S. Clyde Ave., Chicago, IL
- 7153 S. Jeffrey Ave., Chicago, IL

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