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EDWARD M. HOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 11/18/2020 10:08 AM PG: 1 OF 13

Prepared by and after recording return to:

Dewey Nguyen, Esq.
Carlton Fields, P.C.
1025 Thomas Jefferson Street, NW
Suite 400 West
Washington, DC 20007-5208

Property of Cook County Clerk's Office

SUBORDINATION AGREEMENT
GOVERNMENTAL ENTITY

FIRST AMERICAN TITLE
FILE # 3008239

10 of 13

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Subordination Agreement (Governmental Entity)
Ellis Street Portfolio

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SUBORDINATION AGREEMENT GOVERNMENTAL ENTITY FOR REGULATORY AGREEMENT (REGULATORY AGREEMENT ONLY/NO SUBORDINATE DEBT)

THIS SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT (this “**Agreement**”) is effective as of the 14th day of August, 2020, by the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate under the laws of the State of Illinois (“**Governmental Entity**”), and KENWOOD PORTFOLIO LLC, a limited liability company organized and existing under the laws of Delaware (“**Borrower**”), for the benefit of ARBOR COMMERCIAL FUNDING I, LLC, a limited liability company organized and existing under the laws of New York, a national banking association, its successors and assigns (“**Lender**”).

RECITALS:

A. Simultaneously herewith Lender is making a loan to Borrower in the original principal amount of approximately \$15,255,000.00 plus or minus 5% variance (“**Loan**”) pursuant to a Multifamily Loan and Security Agreement between Lender and Borrower (as supplemented or amended from time to time, the “**Loan Agreement**”) and evidenced by a Multifamily Note by Borrower to Lender (as supplemented or amended from time to time, the “**Note**”). The Loan is to be secured by a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing that will be recorded among the records of Cook County, Illinois (“**Official Records**”) (as supplemented or amended from time to time, the “**Mortgage**”) of certain improved real property located in Cook County, State of Illinois, as more particularly described on Exhibit A attached hereto (“**Property**”). The Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the “**Loan Documents**”.

B. In connection with the construction and development of the Property, Borrower’s predecessors in interest entered into three regulatory agreements in favor of the Governmental Entity, which was recorded in the Cook County Recorder of Deeds, pursuant to which certain parcels of the Property were subjected to certain restrictions by the Governmental Entity. These three regulatory agreements are: 1) that certain Regulatory and Land Use Restriction Agreement, dated March 26, 1992, by and between South Ingleside Limited Partnership, an Illinois limited partnership and the Governmental Entity recorded on April 4, 1992, as Instrument No. 92294556 with the Cook County Recorder of Deeds (“**1992 S. Ingleside Agreement**”), 2) that certain Regulatory and Land Use Restriction Agreement, dated January 31, 1997, by and between KRMB Limited Partnership, an Illinois limited partnership and the Governmental Entity, recorded on January 31, 1997, as Instrument No. 97073517 with the Cook County Recorder of Deeds (“**1997 S. Ellis Agreement**”), and 3) that certain Regulatory and Land Use Restriction Agreement, dated September 25, 1992, by and between SSG Limited Partnership, an Illinois limited partnership and the Governmental Entity, recorded on September 25, 1992 as Instrument No. 92-715966 with the Cook County Recorder of Deeds, as amended by that certain Regulatory and Land Use Restriction Agreement, dated October 31, 2006, by and between TWG Funding XXII LLC, an Illinois limited

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liability and the Governmental Entity (collectively, the “**Oct. 2006 S. Greenwood Agreement**”). The 1992 S. Ingleside Agreement, the 1997 S. Ellis Agreement, and the Oct. 2006 S. Greenwood Agreement are referred herein collectively as the “**Regulatory Agreement**.”

C. As a condition to making the Loan, Lender requires that the lien of the Mortgage be superior to the lien of the Regulatory Agreement. Lender will not make the Loan unless Governmental Entity and Borrower agree to subordinate their rights and obligations under the Regulatory Agreement.

D. Borrower and Governmental Entity hereby agree to subordinate the Regulatory Agreement and subject to the terms, conditions and requirements set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. Subordination. The Governmental Entity hereby agrees that the Regulatory Agreement is and shall at all times continue to be, subordinate, subject and inferior to the rights of Lender under the Loan Documents and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to Governmental Entity pursuant to or in connection with the Regulatory Agreement are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to Lender pursuant to the Loan Documents and the terms, covenants, conditions, operations and effects thereof. Notwithstanding the above, Governmental Entity may exercise the remedies of specific performance or injunctive relief at any time in the event of a default under or breach of the terms of the Regulatory Agreement.

3. Financing, Encumbrance and Transfer Approval. Governmental Entity hereby approves and acknowledges the transfer of the Property to Borrower and the financing evidenced by the Mortgage. Governmental Entity further agrees that any transfer of the Property in connection with foreclosure of the Mortgage or a deed in lieu thereof shall not require Governmental Entity’s consent but shall require notice to Governmental Entity.

4. Satisfaction of Prior Indebtedness. Governmental Entity acknowledges and agrees that the “Loan” associated with and defined in the Regulatory Agreement, owed by Borrower’s predecessor in interest to Governmental Entity has been paid in full to the Governmental Entity, in all respects.

5. Lender Notice of Default. In consideration of Governmental Entity’s agreements contained in this Agreement, Lender agrees that in the event of any default by Borrower under the Loan Documents, Governmental Entity shall be entitled to receive a copy of any notice of default given by Lender to Borrower under the Loan Documents. Neither the giving nor the failure to

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give a notice to Governmental Entity pursuant to this Section 5 will affect the validity of any notice given by Lender to the Borrower.

6. Governmental Entity Notice of Default. Governmental Entity shall give Lender a concurrent copy of each material notice (including without limitation each notice of default) given by Governmental Entity under or with respect to the Regulatory Agreement, and agrees that Lender, at Lender's sole election, shall have the right (but not the obligation) to cure any default by Borrower under the Regulatory Agreement on its and/or Borrower's behalf. Governmental Entity hereby represents that, to the best of its knowledge, there is no current default under the Regulatory Agreement.

7. Governmental Entity's Rights. Except as set forth in Sections 2 and 8 of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or Governmental Entity, respectively, under the Regulatory Agreement; provided that (A) the Regulatory Agreement may be released but it may not be modified, amended, changed or otherwise altered without the prior written consent of Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the Regulatory Agreement to the contrary, neither Borrower nor Governmental Entity will, without Lender's prior written consent, exercise or seek any right or remedy under the Regulatory Agreement or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) the collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) the application of insurance or condemnation proceeds other than as approved by Lender pursuant to the Loan Documents; (v) the removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's security for the Loan.

8. Foreclosure by Lender. In the event of foreclosure deed in lieu of foreclosure, or similar disposition of the Property by Lender, no consent shall be required from Governmental Entity, but prior notice to Governmental Entity shall still be required.

9. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with regard to the subordination of the Regulatory Agreement to the lien or charge of the Loan Documents, and shall supersede and cancel any prior agreements with regard to this subject matter.

10. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties to this Agreement.

11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

12. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

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13. Notices. All notices required or permitted hereunder shall be deemed to have been received either (i) when delivered by hand and the party giving such notice has received a signed receipt thereof, or (ii) three (3) days following the date deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows (or addressed in such other manner as the party being notified shall have requested by written notice to the other party):

If to Governmental Entity:

Illinois Housing Development Authority
111 E. Wacker Drive
Suite 1000
Chicago, Illinois 60601
Attention: Director, Multifamily Programs

With a copy to:

Illinois Housing Development Authority
111 E. Wacker Drive
Suite 1000
Chicago, Illinois 60601
Attention: General Counsel

If to Lender:

Arbor Commercial Funding I, LLC
3370 Walden Avenue, Suite 114
Depew, New York 14043
Email: portfoliomanagement@arbor.com

If to Borrower:

KENWOOD PORTFOLIO LLC
287 Hicks St.
Brooklyn, NY 11201

14. Further Instruments. Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

15. Valid Authorization. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf

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of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

16. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE REGULATORY AGREEMENT BECOMING SUBJECT TO THE LIEN OF THE MORTGAGE.

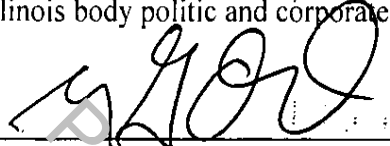
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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

GOVERNMENTAL ENTITY

ILLINOIS HOUSING DEVELOPMENT AUTHORITY,
an Illinois body politic and corporate

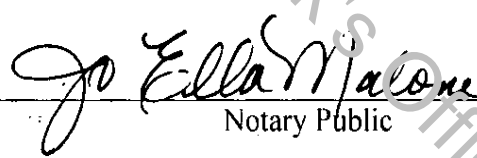
By: 
 Name: Maureen G. Ohle
 Title: General Counsel

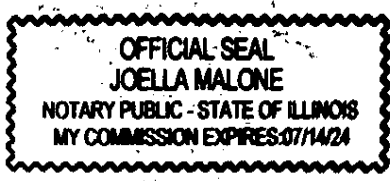
STATE OF ILLINOIS

CITY OF COOK

I, the undersigned, a Notary Public in and for said County in the State aforesaid, hereby certify that Maureen G. Ohle personally known to me to be the General Counsel of the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois, 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 General Counsel she/he signed and delivered such instrument in her/his capacity as General Counsel of the Authority, as her/his free and voluntary act, and as the free and voluntary act of said Authority, for the use and purposes therein set forth.

Given under my hand and notarial seal this 11th day of August, 2020.


 Notary Public




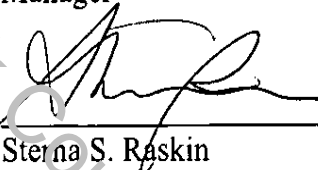
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BORROWER:

KENWOOD PORTFOLIO LLC
a Delaware limited liability company

By: **KENWOOD JV HOLDINGS LLC**
a Delaware limited liability company
its Manager

By:  (SEAL)
Name: Aaron L. Raskin
Title: Manager

By:  (SEAL)
Name: Sterna S. Raskin
Title: Manager

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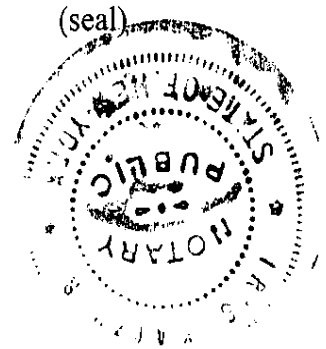
ACKNOWLEDGMENT

STATE OF NY)
COUNTY OF Kings) SS

On this 21 day of July, 2020 before me appeared Aaron L. Raskin, to me personally known, who, being by me duly sworn (or affirmed) did say that said Aaron L. Raskin is Manager of **KENWOOD JV HOLDINGS LLC**, a Delaware limited liability company, which is a Manager of **KENWOOD PORTFOLIO LLC**, a Delaware limited liability company (the "Company"), and that said instrument was signed in behalf of said Company, and said Aaron L. Raskin acknowledged said instrument to be the free act and deed of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Jo Katzna
Notary Public



My term expires: 11/30/2021

IRIS KATZNER
Notary Public, State Of New York
No. 01609732999
Qualified in Kings County
Commission Expires November 30, 2021

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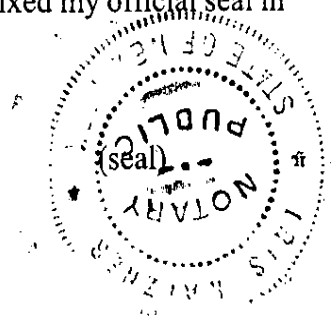
ACKNOWLEDGMENT

STATE OF NY)
COUNTY OF KINGS) SS

On this 21 day of July, 2020 before me appeared Sterna S. Raskin, to me personally known, who, being by me duly sworn (or affirmed) did say that said Sterna S. Raskin is Manager of **KENWOOD JV HOLDINGS LLC**, a Delaware limited liability company, which is a Manager of **KENWOOD PORTFOLIO LLC**, a Delaware limited liability company (the "Company"), and that said instrument was signed in behalf of said Company, and said Sterna S. Raskin acknowledged said instrument to be the free act and deed of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

[Signature]
Notary Public

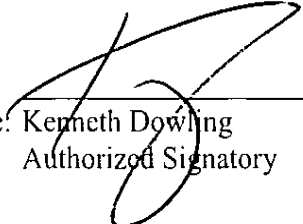


My term expires: 11/30/2021

Notary Public
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21

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ARBOR COMMERCIAL FUNDING I, LLC
a New York limited liability company

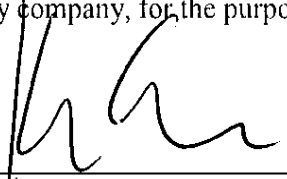
By:  _____ (SEAL)
Name: Kenneth Dowling
Title: Authorized Signatory

ACKNOWLEDGMENT

State of New York

County of Nassau ss:

On this 23rd day of July, 2020 before me, the undersigned officer, personally appeared Kenneth Dowling, who I am satisfied is the individual named in the foregoing instrument as Authorized Signatory of Arbor Commercial Funding I, LLC, and on behalf of such limited liability company did acknowledge that he/she executed the foregoing instrument as his/her voluntary act and deed, and as the voluntary act and deed of said limited liability company, for the purposes therein contained.



Notary Public

Print Name: _____

My commission expires: _____

KAREN SOUNTAS
Notary Public, State of New York
No. 01SO6324443
Qualified in Nassau County
Commission Expires May 11, 2023

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EXHIBIT A Legal Description

SOUTH INGLESIDE

PARCEL 1:

Lots 33 and 34 in Block 2 in Sherman T. Cooper's Drexel Boulevard Addition to Chicago in the Northwest quarter of Section 11, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois

PARCEL 2:

Lots 29 and 30 in Block 1 in Sherman T. Cooper's Drexel Boulevard Addition to Chicago in the Northwest quarter of Section 11, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Property Address: 4737-39 S. Ingleside, Chicago, IL 60653
4746-48 S. Ingleside, Chicago, IL 60653

Permanent Index Numbers: 20-11-102-005-0000 Vol. 254
20-11-101-015-0000 Vol. 254

GREENWOOD COURT

PARCEL 1:

Lot 3, in William D. Ewart's Subdivision of Lots 10, 11, 12 and 13, including the vacated alley lying West and South of said Lot 13 (except the East 16.00 feet of Lot 13, dedicated for alley) of Bliss and Waitt's Subdivision of that part lying West of Hyde Park Avenue of the North half of Block 4, in the Subdivision of E.K. Hubbard's Executors' of the East half of the Southwest quarter of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lots 15 and 16, in Medill's Subdivision of the South half of Block 4 (except the North 16.5 feet there), in a Subdivision by Executors' of E.K. Hubbard of the East half of the Southwest quarter of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Property Address: 4431-37 South Greenwood Avenue, Chicago, Il. 60653

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Permanent Index Numbers: 20-02-309-007-0000 Vol. 250
 20-02-309-008-0000 Vol. 250
 20-02-309-009-0000 Vol. 250

KENWOOD OAKLAND

PARCEL 1:

Lots 30 and 31 and the North 41 feet of Lot 29 in Block 13 in Cleaverville, being the North part of Fractional Section 2, Township 38 North, Range 14, and the South part of Fractional Section 35, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lot 28 and the South 9 feet of Lot 29 in Block 13 in Cleaverville, being the North part of Fractional Section 2, Township 38 North, Range 14, and the South Fractional Section 35, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 3:

Lots 30, 31, 32, 33 and 34 in Resubdivision of Block 7 of Walker and Stinson's Subdivision of the West half of the Southwest Quarter of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 4:

Lot 17 in Haines, Sidney and Layton's Subdivision of Block 6 of Walker and Stinson's Subdivision of the West Half of the Southwest Quarter of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Property Addresses: 4001-13 South Ellis Avenue, Chicago, IL 60653
 811 East 46th Street, Chicago, IL 60653
 4547 South Cottage Grove Avenue, Chicago, IL 60653

Permanent Index Numbers: 20-02-107-001-0000 Vol. 250
 20-02-107-002-0000 Vol. 250
 20-02-315-007-0000 Vol. 250
 20-02-311-007-0000 Vol. 250