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This document prepared by and after recording return to:

Keith May, Esq.
Assistant Corporation Counsel
Supervisor
City of Chicago
Department of Law
121 North LaSalle Street
Room 600
Chicago, IL 60602



Doc# 2318006062 Fee \$69.00

3HSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 06/29/2023 01:04 PM PG: 1 OF 10

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2 of 4
Old Republic Title
9601 Southwest Highway
Oak Lawn, IL 60453
23158110

SUBORDINATION AGREEMENT

29 This Subordination Agreement ("Agreement") is made and entered into as of the day of June, 2023 between the City of Chicago by and through its Department of Planning and Development (the "City"), and Walker & Dunlop, LLC, a Delaware limited liability company (or its assignee pursuant to the Tranche A and Tranche B Loan Documents (defined below), from time to time, the "Lender").

WITNESSETH:

WHEREAS, Montrose and Clarendon LLC, an Illinois limited liability company (the "Developer"), is the owner and developer of certain property generally located at the northwest corner of West Montrose Avenue and North Clarendon Avenue, commonly known as 811 West Agatite Avenue, as legally described on Exhibit A attached hereto (the "Property"), located within the Montrose/Clarendon Redevelopment Project Area, on which Developer has constructed and operates a 27-story mixed-use tower containing approximately 381 residential rental units and approximately 30,511 square feet of grocery/retail space on the first and second floors (the "Apartments Project"); and

WHEREAS, as part of obtaining refinancing for the Apartments Project, Developer (hereinafter, "Borrower") has, concurrently with the execution of this Agreement, entered into or will enter into one or more loan agreements with the Lender pursuant to which the Lender has agreed to make a first and second loan to Borrower in an aggregate amount not to exceed \$94,000,000.00 (each, the "Tranche A Loan" and the "Tranche B Loan" and collectively, the "Tranche A and Tranche B Loans"), which Tranche A and Tranche B Loans will be evidenced by one or more Multifamily Notes executed by the Borrower in favor of the Lender (collectively, the "Notes"), and the repayment of which will be secured by, among other things, two separate mortgage liens having first and second lien priority on the Property and other property of the Borrower pursuant to a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing encumbering the Property made by the Borrower in favor of Lender as of the date hereof and to be recorded, with respect to the Tranche A Loan, and a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing encumbering the Property made by the Borrower in favor of Lender on a date to be determined and to be recorded following the closing

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of the Tranche A Loan, with respect to the Tranche B Loan (collectively, the "Mortgages") (all such agreements referred to above and otherwise relating to the Tranche A and Tranche B Loans referred to herein collectively as the "Tranche A and Tranche B Loan Documents");

WHEREAS, Developer previously entered into that certain Montrose Clarendon Apartments Redevelopment Agreement, dated as of October 31, 2016, by and among the City, Montrose Clarendon Partners LLC ("Partners"), and Borrower, recorded on November 2, 2016 with the Cook County Recorder of Deeds as Document Number 1630734033 (as amended or modified, the "Apartments RDA,") and that certain Montrose Clarendon Park Redevelopment Agreement, dated as of October 31, 2016, by and among the City, Partners, and Borrower (as amended or modified, the "Park RDA"; the Apartments RDA and the Park RDA are referred to herein along with various other agreements and documents related thereto as the "City Agreements"),

WHEREAS, pursuant to the Apartments RDA, the Developer agreed to construct the Apartments Project and an approximately 5,900 square foot single-story building of commercial/retail space with approximately 11 exterior parking spaces (referred to in the Apartments RDA and herein after as the "Commercial Facility");

WHEREAS, pursuant to the Apartments RDA, Developer agreed to be bound by certain covenants, as set forth in Sections 8.01(j) (permitted transfers), 8.01(k) (Permitted Liens), 8.01(q), 8.02 (Covenant to Redevelop), 8.06 (Operating Covenant), 8.19 (Real Estate Provisions), 8.20 (Annual Reports), 8.21 (Affordable Housing Covenant), 8.28 (Survival of Covenants), 16 (Mortgaging of the Project), 18.14 (Assignment), and 18.21 (Restrictions on Transfer of the City Note); and

WHEREAS, the City issued a certificate of completion under the Apartments RDA, effective as of June 24, 2022 (the "Apartments Certificate"), certifying that the Developer had fulfilled its obligation to complete the Project (as defined in the Apartments RDA, consisting of the Apartments Project and the Commercial Facility) in accordance with the terms of the Apartments RDA, which certificate was recorded with the Cook County Clerk on June 27, 2022, as document number 2217815046;

WHEREAS, pursuant to the Apartments RDA, the City issued that certain Tax Increment Allocation Revenue Note (Montrose-Clarendon Redevelopment Project), Taxable Series B, dated June 24, 2022, in the maximum principal amount of \$1,280,000 (the "Apartments Note");

WHEREAS, subsequent to the City's issuance of the Apartments Certificate, by deed dated effective as of February 15, 2023, Developer sold the Commercial Facility;

WHEREAS, pursuant to the Park RDA, the City issued that certain Tax Increment Allocation Revenue Note (Montrose-Clarendon Redevelopment Project) Tax-Exempt Series A, dated June 24, 2022, in the maximum principal amount of \$1,140,000 (the "Park Note");

WHEREAS, the City has paid the Park Note in full, Developer has surrendered the Park Note to the City, and Developer's obligations under the Park RDA have been fulfilled;

WHEREAS, the City agreed to enter into the Apartments RDA with Developer, subject, among other things, to the requirement that Developer obtain the City's prior written

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consent to any collateral assignment of the Apartments RDA, or the Apartments Note issued thereunder;

WHEREAS, the City agreed to enter into the Apartments RDA with Developer, subject, among other things, to the further requirement that Developer obtain the City's written consent prior to executing a New Mortgage (as defined under the Apartments RDA);

WHEREAS, previously the Property was subject to that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated May 25, 2021 (as modified or amended, the "Mesa West Mortgage"), which was recorded with the Cook County Clerk, Illinois on May 26, 2021, as Document No. 2114622026 in favor of MWC 49 Holdings, LLC ("Mesa West"), which was a Permitted Mortgage under the Apartments RDA, and which was the subject of that certain Subordination Agreement between the City and Mesa West, dated May 25, 2021, and recorded with the Cook County Clerk on May 26, 2021, as document number 2114622027. Concurrently with the origination of the Tranche A Loan by Lender, the Mesa West Mortgage will be released and the collateral assignment to Mesa West of the Developer's rights under the Apartments RDA and the Apartments Note will be terminated.

WHEREAS, the City is willing to consent to (a) the Mortgages securing the Tranche A and Tranche B Loans, and to categorize both such Mortgages as a Permitted Mortgage under Section 16 of the Apartments RDA, and (b) the collateral assignment by Borrower of the Apartments Note issued under the Apartments RDA to Lender as further security for the Tranche A and Tranche B Loans; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. Upon the recording of each of the Mortgages with the Cook County Clerk, Illinois, each shall constitute a Permitted Lien under Apartments RDA Section 8.01(k) and a Permitted Mortgage under Apartments RDA Section 16, and the Apartments RDA shall be subject and subordinate to each of the Mortgages. Nothing herein shall be deemed to limit the Lender's right to receive, and Borrower's ability to make, payments and prepayments of principal and interest on the Apartments Note, or to exercise its rights pursuant to the Tranche A and Tranche B Loan Documents except as provided herein. Nothing herein shall be deemed to modify or amend any of Developer's obligations or the City's rights under the Apartments RDA.

2. Consent to Collateral Assignments. The City hereby consents to the collateral assignment by Borrower unto Lender of all of Borrower's rights under the Apartments RDA, including the right to receive City Funds (as defined in the Apartments RDA) under the Apartments Note.

3. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which either or both may give to Borrower with respect to the Apartments Project pursuant to the Tranche A and Tranche B Loan Documents or the Apartments RDA, respectively, and (b) copies of waivers, if any, of Borrower's default in connection therewith. Under no circumstances shall Borrower, Developer or any third party be entitled to rely upon the agreement provided for in this Section 3.

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4. Waivers. No waiver shall be deemed to be made by the City or the 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 the City or the 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 the City and the 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 follows:

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Lender:</p> <p>Walker & Dunlop, LLC 7272 Wisconsin Avenue, Suite 1300 Bethesda, Maryland 20814</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Blank Rome LLP 1271 Avenue of the Americas New York, New York 10020 Attn: Deborah A. Franzblau, Esq.</p>

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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[Signature Pages Follow]

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ACKNOWLEDGED AND AGREED TO THIS

_____ DAY OF _____, 2023 Montrose

and Clarendon LLC, a Delaware limited liability company

By: [Signature]

Its: Authorized Signatory

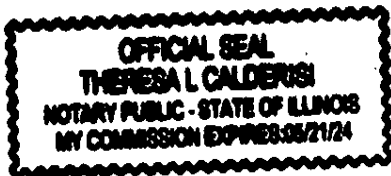
STATE OF ILLINOIS)

SS

COUNTY OF COOK)

I, Theresa L. Calderisi, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Vincent G. Ferguson, the authorized signatory of Montrose and Clarendon LLC, a Delaware limited liability company, 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 signed, sealed, and delivered said instrument pursuant to the authority given to him by said company, as his free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, 2023.



Notary Public
[Signature]
My Commission Expires 5/21/24

Property of [Faint Watermark]
Cook County Clerk's Office

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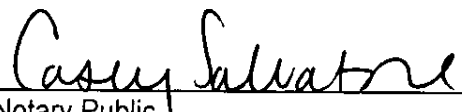
IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

WALKER & DUNLOP, LLC, a
Delaware limited liability company

By: 
Name: Paula Battista
Title: Vice President

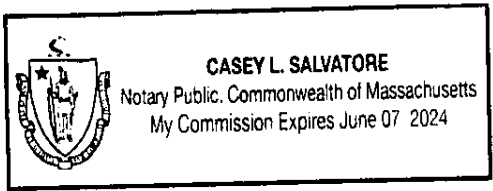
COMMONWEALTH OF MASSACHUSETTS)
) SS
COUNTY OF NORFOLK)

On June 13, 2023, before me, the undersigned, a notary public in and for said State, personally appeared Paula Battista, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that, by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.


Notary Public

Casey Salvatore
Printed Name

Commission Expires: June 7, 2024



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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 2:

LOT 1 AND ALL OF LOTS 2, 3 AND 4 IN LYDSTON'S RESUBDIVISION OF LOTS 3 TO 7 IN BLOCK 1 IN JOHN N. YOUNG'S SUBDIVISION OF LOT 1 IN SUPERIOR COURT PARTITION OF THE SOUTH 10 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1 AND 2 (EXCEPT THE NORTH 105 FEET OF THE EAST 85 FEET OF SAID LOTS) IN BLOCK 1 IN JOHN N. YOUNG'S SUBDIVISION OF LOT 1 IN SUPERIOR COURT PARTITION OF THE SOUTH 10 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF THE NORTH 1/2 OF THE EAST AND WEST 16 FOOT VACATED PUBLIC ALLEY, LYING WEST OF THE WEST LINE OF CLARENDON AVENUE, LYING EAST OF A LINE 18 FEET EAST OF AND PARALLEL TO THE WEST LINE OF LOT 1 AND SAID WEST LINE PRODUCED SOUTH 16 FEET IN LYDSTON'S RESUBDIVISION OF LOTS 3 TO 7 OF BLOCK 1 AFORESAID, SAID VACATED ALLEY LYING SOUTH AND ADJOINING PARCELS 2 AND 3, IN COOK COUNTY, ILLINOIS

PARCEL 5:

LOT 18 (EXCEPT THE WEST 18 FEET THEREOF DEDICATED FOR PUBLIC ALLEY, BY INSTRUMENT RECORDED AUGUST 20, 1992 AS DOCUMENT 92618869) AND LOTS 19 AND 20 IN BLOCK 1 IN JOHN N. YOUNG'S SUBDIVISION OF LOT 1 IN SUPERIOR COURT PARTITION OF THE SOUTH 10 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 1 TO 4, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 2 IN SUPERIOR COURT PARTITION OF THE SOUTH 10 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THAT PART OF THE SOUTH 1/2 OF THE EAST AND WEST 16 FOOT VACATED PUBLIC ALLEY, LYING WEST OF THE WEST LINE OF CLARENDON AVENUE, LYING EAST OF

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A LINE 18 FEET EAST OF AND PARALLEL TO THE WEST LINE OF LOT 1 AND SAID WEST LINE PRODUCED SOUTH 16 FEET IN LYDSTON'S RESUBDIVISION OF LOTS 3 TO 7 OF BLOCK 1 AFORESAID, SAID VACATED ALLEY LYING NORTH AND ADJOINING PARCELS 5 AND 6 AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

THE NORTH 105 FEET OF THE EAST 85 FEET OF LOTS 1 AND 2 IN JOHN N. YOUNG'S SUBDIVISION OF LOT 1 IN SUPERIOR COURT PARTITION OF THE SOUTH 10 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address commonly known as:

811 W Agatite Avenue
Chicago, IL 60640

PIN#: 14-17-229-019-0000, 14-17-229-008-0000, 14-17-229-014-0000, 14-17-229-015-0000, 14-17-229-016-0000, 14-17-119-017-0000 & 14-17-229-018-0000

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