

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL)
TO:)
Charity & Associates)
20 North Clark Street)
Suite 700)
Chicago, Illinois 60602)
Attn: Elvin E. Charity)

space above for recorder's use

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE LIEN OF A MORTGAGE AND CERTAIN RESTRICTIVE COVENANTS ON THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") is made as of October 1, 1997, by KEELER APARTMENTS LIMITED PARTNERSHIP, an Illinois limited partnership, with a mailing address of 8014 South Western Avenue, Chicago, Illinois 60620, owner of the interest in real property hereinafter described ("Borrower"), and the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate of the State of Illinois, as administrator of the Illinois Affordable Housing Trust Fund, with a mailing address of 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611, party to that certain restrictions agreement and mortgagee under the mortgage and payee under the note described below ("Co-Construction Lender"), and HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation ("Bank"), with a mailing address at Metropolitan Banking Division, 111 West Monroe Street, P.O. Box 755, Chicago, Illinois, 60690-0755.

7661655 DBK
7098
5291992

Factual Background

I. Borrower and Co-Construction Lender entered into that certain Regulatory and Land Use Restriction Agreement dated October 1, 1997, that is to be recorded concurrently herewith in the Official Records of Cook County, Illinois, and Borrower executed a mortgage dated October 1, 1997, to secure a promissory note ("Subordinated Note") in the amount of Five Hundred Thousand Dollars (\$500,000), in favor of Co-Construction Lender, that is to be recorded concurrently herewith in the Official Records of Cook County, Illinois, (such agreement, Subordinated Note and mortgage collectively referred to as the "Subordinated Documents"), each encumbering certain real property located in the City of Chicago, County of Cook, State of Illinois, more particularly described in Exhibit A attached hereto and made a part hereof ("Property").

as Dr # 97732212
as Dr # 97732214

II. Co-Construction Lender and Borrower desire that Bank make a loan ("Loan") to Borrower. Borrower has executed or will execute a Mortgage, dated as of the date hereof ("Senior Mortgage"), and promissory note ("Senior Note") in the amount of Five Hundred Thousand One Hundred Twenty-Five Dollars (\$500,125), in favor of Bank. The Senior Mortgage is being recorded concurrently herewith

as Dr
97732215

III. It is a condition to Bank's making the Loan to Borrower that the Senior Mortgage unconditionally be and remain at all times a lien, claim and charge upon the Property prior and superior to the liens, claims and charges of the Subordinated Documents.

IV. It is to the mutual benefit of the parties that Bank make the Loan to Borrower, and Co-Construction Lender is willing that 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 Documents.

AGREEMENT

A. The Senior Mortgage, and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon), is unconditionally and will remain at all times a lien, claim or charge on the Property prior and superior to the Subordinated Documents.

B. Bank would not make the Loan without this Subordination Agreement.

C. Co-Construction Lender declares, acknowledges and agrees that:

1. Co-Construction Lender consents to (i) all provisions of the Senior Mortgage and Senior Note; and (ii) the Construction Loan Agreement, dated as of the date hereof between Borrower and Bank providing for the disbursement of the Loan;

2. In making disbursements, Bank is under no obligation or duty to, nor has Bank represented that it will, see to the application of the Loan proceeds; and

3. Co-Construction Lender intentionally and unconditionally waives, relinquishes, subjects and subordinates the liens, claims and charges of the Subordinated Documents, and all present and future indebtedness and obligations secured thereby, in favor of 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.

D. Bank and Co-Construction Lender agree to give to each other copies of all notices of Events of Default under (and as defined in) their respective loan documents.

E. This Subordination Agreement supersedes any other agreement with regard to the subordination of the liens, claims and charges of the Subordinated Documents to the Senior Mortgage. This Subordination Agreement is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

F. 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 reasonable costs as awarded in the action.

G. 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. Those addresses may be changed by any party by notice to all other parties.

H. This Subordination Agreement is governed by the laws of the State of Illinois, without regard to the choice of law rules of that State.

I. This Subordination Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE PROPERTY.

(SIGNATURES CONTINUE ON NEXT PAGE)

"Co-Construction Lender"

ILLINOIS HOUSING DEVELOPMENT AUTHORITY,
a body politic and corporate of the State of Illinois

By: [Signature]
Name: Gregory L. Lewis
Title: MANAGER, PORTFOLIO ADMINISTRATION

Address:

401 North Michigan Avenue
Chicago, Illinois 60611
Attn: Law Department

"Borrower"

KEELER APARTMENTS LIMITED PARTNERSHIP,
an Illinois limited partnership

By: KEELER APARTMENTS CORPORATION,
an Illinois corporation,

By: [Signature]
Name: John W. Bonds Jr.
Title: President

Address:

8014 South Western Avenue
Chicago, Illinois 60620
Attention: John Bonds

"Bank"

HARRIS TRUST AND SAVINGS BANK,
an Illinois banking corporation

By: [Signature]
Name: RICHARD W. SPURD
Title: VICE PRESIDENT

Address:

Harris Trust and Savings Bank
P.O. Box 755
111 West Monroe Street
Chicago, Illinois 60690-0755
Attention: Rhonda R. McFarland

Property of Cook County Clerk's Office

EXHIBIT A
LEGAL DESCRIPTION

LOTS 26, 27, 28 AND 29 IN BLOCK 4 IN WILLIAM A. MERIGOLD'S RESUBDIVISION OF THE NORTH 50 ACRES OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Street Address: 1251-61 South Keeler, Chicago, Illinois
4148-54 West 13th Street, Chicago, Illinois

P.I.N. 16-22-204-022

Property of Cook County Clerk's Office

ALL-PURPOSE ACKNOWLEDGEMENT

State of Illinois
 County of Cook
 On Sept. 17, 1997 before me, Elloise Marie Konopasek
Notary Public
 personally appeared Gregory L. Lewis
Manager, Portfolio Administration

personally known to me - OR - proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entry upon behalf of which the persons acted, executed the instrument.

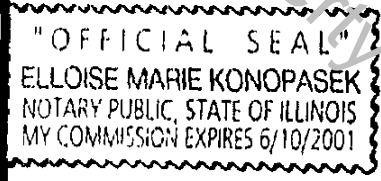
Witness my hand and official seal.

Elloise Marie Konopasek
 SIGNATURE OF NOTARY

CAPACITY CLAIMED BY SIGNER

INDIVIDUAL
 CORPORATE Manager
 OFFICER(S) Portfolio Adm.
 PARTNER(S) LIMITED
 GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: _____

SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR ENTITY(IES)
Illinois Housing
Development Authority



ATTENTION NOTARY: Although this instrument contained here is a SPECIAL, it must comply with the provisions of the UNIFORM Act on Uniform Acknowledgments.

THIS CERTIFICATE Title or Type of Document Subordination Agreement
 MUST BE ATTACHED
 TO THE DOCUMENT Number of Pages 4 Date of Document October 1, 1997
 DESCRIBED AT RIGHT: Signer(s) Other than Named Above _____

UNOFFICIAL COPY

ALL-PURPOSE ACKNOWLEDGEMENT

State of Illinois
 County of Cook
 On October 1, 1997 before me, Gregory Whitehead
DATE NAME, TITLE OF OFFICER, E.G., "JANE DOE, NOTARY PUBLIC"
 personally appeared Richard A. Spurr
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entity upon behalf of which the persons acted, executed this instrument.

OFFICIAL SEAL
 GREGORY C WHITEHEAD
 NOTARY PUBLIC, STATE OF ILLINOIS
 MY COMMISSION EXPIRES: 08/29/00

Gregory Whitehead
 SIGNATURE OF NOTARY

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER(S) Vice President
TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR ENTITY(IES)
HARRIS Trust
and Savings Bank

ATTENTION NOTARY: Although the information provided on this OPTIONAL form could be used to document the contents of this instrument, it is not a substitute for the instrument itself.
 THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:
 Title or Type of Document Subordination Agreement
 Number of Pages 4 Date of Document October 1, 1997
 Signer(s) Other than Named Above _____

UNOFFICIAL COPY

ALL-PURPOSE ACKNOWLEDGEMENT

<p>State of <u>Illinois</u>) County of <u>Cook</u>)</p> <p>On <u>October 1, 1997</u> before me, <u>Gregory Whitehead</u> <small>DATE NAME, TITLE OF OFFICE & C. "I AM A NOTARY PUBLIC"</small></p> <p>personally appeared <u>John W Bonds</u> <small>NAME OF PERSON</small></p> <p><input checked="" type="checkbox"/> personally known to me - OR - <input type="checkbox"/> proved to me on the basis of satisfactory evidence</p> <p>to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entity upon behalf of which the persons acted, executed the instrument.</p> <p>OFFICIAL SEAL Witness my hand and official seal. GREGORY C WHITEHEAD NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES: 09/28/00</p> <p><i>Gregory Whitehead</i> SIGNATURE OF NOTARY</p>	<p>CAPACITY CLAIMED BY SIGNER</p> <p><input type="checkbox"/> INDIVIDUAL</p> <p><input checked="" type="checkbox"/> CORPORATE OFFICER(S) <u>President</u> <small>TITLE</small></p> <p><input checked="" type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input checked="" type="checkbox"/> GENERAL</p> <p><input type="checkbox"/> ATTORNEY-IN-FACT</p> <p><input type="checkbox"/> TRUSTEE(S)</p> <p><input type="checkbox"/> GUARDIAN/CONSERVATOR</p> <p><input type="checkbox"/> OTHER:</p> <p>SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(IES) <u>Cooper Apartments Corporation, General Partner</u></p>
<p><small>ATTENTION NOTARY: Although the following request is OPTIONAL, it will prevent fraudulent practice if the notary acts on a substantial basis.</small></p> <p>THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:</p> <p>Title or Type of Document <u>Subordination Agreement</u></p> <p>Number of Pages <u>4</u> Date of Document <u>October 1, 1997</u></p> <p>Signer(s) Other than Named Above</p>	

UNOFFICIAL COPY

Property of Cook County Clerk's Office