



INTERCREDITOR
AND
SUBORDINATION
AGREEMENT

New North
National Title

THIS INTERCREDITOR AND SUBORDINATION AGREEMENT made as of this 28th day of January, 1999 by and between NATIONAL CONSUMER COOPERATIVE BANK ("NCCB"), a federally chartered banking corporation, having an office at 1401 Eye Street, N.W., Washington, D.C. 20005 on behalf of the registered holders (the "Holders") of Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4, as servicer under that certain Participation and Servicing Agreement, dated as of July 2, 1992, for Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4 (the Holders together with their successors and/or assigns are hereinafter collectively referred to as "Lender"), and LASALLE NATIONAL BANK, a national banking association, having an address at 135 South LaSalle, Suite 1126, Chicago, Illinois 60604 (the "Subordinate Lender").

WITNESSETH:

WHEREAS, Lender is the holder of a loan to Chicago Residential Incorporated, an Illinois corporation (the "Borrower") in the original principal amount of One Million Eight Hundred Thousand and 00/100 Dollars (\$1,800,000.00) (the "Loan"); and

WHEREAS, the Loan is evidenced by that certain promissory note dated July 1, 1992 made by Borrower, as modified by that certain Note Modification Agreement, dated as of June 9, 1993, and is secured by, among other things, that certain mortgage (the "Initial Mortgage") made by Borrower in favor of NCB Mortgage Corporation ("NCBMC"), dated July 1, 1992 and recorded in the office of the Cook County Recorder of Deeds (the "Recorder's Office") as Document No. 92481549 and encumbering Borrower's interest in the Project (as hereinafter defined), which Initial Mortgage was assigned by NCBMC to Lender pursuant to that certain assignment from NCBMC to NCCB dated as of July 2, 1992 and recorded on July 17, 1992 in the Recorder's Office as Document No. 92527667, and further assigned by NCCB to Security Pacific National Trust Company (New York) (the "Custodian") as custodian and bailee for the Holders under that certain Custodial Agreement dated as of July 2, 1992 (the "Custodial Agreement") among NCCB, the Holders and Custodian pursuant to that certain assignment from NCCB to Custodian, dated as of July 2, 1992 and recorded on July 17, 1992 in the Recorder's Office as Document No. 92527668; and

WHEREAS, the Initial Mortgage was subsequently modified pursuant to the terms of that certain Mortgage Modification Agreement dated June 9, 1993, and recorded on July 19, 1993 in the Recorder's Office as Document No. 93557797 (the Initial Mortgage, as so modified, and as the same may be further modified, supplemented or amended, from time to time, being herein called the "First Mortgage");

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WHEREAS, pursuant to the terms of that certain Participation and Servicing Agreement, dated as of July 2, 1992, for Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4 dated as of July 2, 1992 (the "Participation and Servicing Agreement") between Modern Woodmen of America, as purchaser, participant and initial Holder and NCCB, as seller and servicer, NCCB has been retained to service and administer the Loan and, subject to the terms of the Participation and Servicing Agreement, to do any and all things in connection with such servicing and administration as NCCB may deem in the best interests of the Holders; and

WHEREAS, Lender has agreed to permit Subordinate Lender to make a loan to Borrower to be evidenced by a promissory note to be executed by Borrower in favor of Subordinate Lender, repayment of which is to be secured by that certain mortgage on the Project, dated as of JANUARY 28, 1999, made by Borrower in favor of Subordinate Lender, and intended to be recorded in the Recorder's Office (said mortgage, as the same may be modified, supplemented or amended from time to time, being herein called the "Second Mortgage"), provided that the Second Mortgage and other collateral documentation evidencing and/or securing the Subordinate Loan (hereinafter defined) is and shall forever be subject and subordinate to the lien of the First Mortgage and all documents evidencing and securing same and subject to certain restrictions and conditions set forth herein; and

WHEREAS, Lender and Subordinate Lender desire to enter into this Agreement for the purpose of establishing the priorities of their respective interests in the Project and the liens securing the Loan and the Subordinate Loan, and setting forth certain other agreements between them with respect to their agreements with Borrower.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Subordinate Lender agree as follows:

1. Defined Terms. The following terms shall have the following meanings, unless the context shall otherwise require:

(i) Loan Documents - All loan documents, notes, security agreements, collateral documents and mortgages executed in connection with the Loan, including, without limitation, the First Mortgage, the promissory note evidencing the Loan, the collateral assignment of leases and rents, UCC-1 financing statements and the environmental indemnity executed and delivered by Borrower concurrently with the execution of this Agreement, and any other documents evidencing, representing, securing and guaranteeing the Loan, as the same may be modified, amended, restated, supplemented, replaced or extended, from time to time.

(ii) Project - That certain real property owned by Borrower located in the City of Chicago, County of Cook and State of Illinois and more particularly described on Schedule A attached hereto and the improvements located or to be located thereon.

(iii) Subordinate Loan - The loan intended to be made by Subordinate Lender to Borrower in the original principal amount of Two Million Six Hundred Thousand and 00/100 (\$2,600,000.00) Dollars pursuant to the Subordinate Loan Documents (hereinafter defined).

(iv) Subordinate Loan Documents - All loan documents to be entered into between Subordinate Lender and Borrower, including, without limitation, the promissory note to be given by Borrower to Subordinate Lender in the original principal amount of \$2,600,000.00, the Second Mortgage, and any other documents which shall be made by Borrower in favor of Subordinate Lender with respect to the Project to evidence, represent, secure or guarantee the Subordinate Loan.

2. Consent to Subordinate Loan. Subject to the conditions hereinafter set forth, Lender, without further waiver of its rights to prohibit subordinate financing under the Loan Documents, hereby consents to the Subordinate Loan and to the Second Mortgage to secure the Subordinate Loan, the principal amount of which is not at any time to exceed Two Million Six Hundred Thousand and 00/100 (\$2,600,000.00) Dollars.

3. Subordination. (a) Notwithstanding the time of the filing or recording of the Second Mortgage or any other Subordinate Loan Documents and the First Mortgage or the time at which any respective liens securing the Subordinate Loan and the Loan shall have been perfected, the lien of the Second Mortgage and the Subordinate Loan Documents securing the Subordinate Loan are hereby expressly made subject and subordinate to the lien of the First Mortgage and the Loan Documents securing the Loan. Whether or not Subordinate Lender and/or Lender shall now or at any time in the future hold any lien thereon, any right or claim of Subordinate Lender in or to the Project shall be subject and subordinate to any right or claim of Lender in or to the Project. In furtherance, and not in limitation, of the foregoing, Subordinate Lender agrees that:

(1) all rights of Subordinate Lender (whether derived under the Subordinate Loan Documents or otherwise) in and to the Project (and any proceeds or income therefrom) shall be expressly subject and subordinate to the rights of Lender (whether derived under the Mortgage or otherwise) in and to the Project (and any proceeds or income therefrom);

(2) until such time as the Loan has been repaid in full, Subordinate Lender shall, upon request of Lender, assign and release unto Lender: (A) all of its right, title, interest or claim, if any, in and to the proceeds of all policies of insurance covering the Project for application upon the indebtedness secured by or other disposition thereof in accordance with the provisions of the Loan Documents; and (B) all of its right, title and interest or claim, if any, in and to all awards or other compensation made for any taking of any part of the Project to be applied upon the indebtedness secured by or disposed of in accordance with the provisions of the Loan Documents, and the disposition of all insurance proceeds and condemnation awards, as the case may be, shall be governed solely by the terms of the First Mortgage and the Loan Documents;

(3) Subordinate Lender hereby waives any right it might have to require that Lender marshal the collateral in favor of Subordinate Lender; and

(4) Subordinate Lender shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in the Project or any other assets securing the Loan that is or may be prior to the First Mortgage or any claim or right of Lender in or to the Project or such other assets.

(b) Subordinate Lender shall cause the Second Mortgage to contain an express provision stating that (i) the lien and security interest of the Second Mortgage and the other Subordinate Loan Documents is subject and subordinate to the lien and security interest of the First Mortgage and the other Loan Documents and (ii) the Second Mortgage and the other Subordinate Loan Documents are entered into subject to and are bound by the terms and provisions of this Agreement.

4. No Lease Termination. Unless and until the Loan has been paid in full and satisfied, Subordinate Lender shall not, in connection with any foreclosure of the Project by Subordinate Lender, cut off or terminate any lease for all or any portion of the Project, without the prior written consent of Lender.

5. Default Notice. Subordinate Lender shall, concurrently with the giving of notice thereof to Borrower, give Lender notice of any default under the Subordinate Loan Documents. Lender may, but shall not be obligated to, cure any such default, in which event Subordinate Lender shall accept such cure by Lender as and for the cure by Borrower; provided, however, that Lender shall have an additional thirty (30) days after the last day on which Borrower has the right to perform before the lack of performance constitutes an event of default under the Subordinate Loan Documents to cure any such default on behalf of Borrower.

6. Commencement of Foreclosure by Subordinate Lender. Subordinate Lender agrees that for so long as the First Mortgage is in existence, (i) due and prompt notice of the commencement of any foreclosure of the Second Mortgage shall be given to Lender, and true copies of all papers served or entered in such action will be delivered to Lender, (ii) no portion of the rents, issues and profits of the Project shall be collected in connection with the foreclosure of the Second Mortgage except through a receiver appointed by the court in which such foreclosure action is brought, after due notice of the application for and appointment of such receiver shall have been given to Lender, (iii) the rents, issues and profits collected by any such receiver shall be applied (x) first to the payment of taxes, maintenance and operating charges and disbursements incurred in connection with the operation and maintenance of the Project, (y) second to the payment of principal and interest under the First Mortgage and (z) third to the payment of principal and interest under the Second Mortgage, and (iv) if during the pendency of any such foreclosure action an action shall be brought for the foreclosure of the First Mortgage and an application shall be made for an extension of the receivership for the benefit of Lender, all such rents, issues and profits held by such receiver as of the date of such application shall be

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applied by the receiver for the benefit of Lender, and the Subordinate Lender shall not be entitled to any portion thereof until Lender has received all amounts then due to it.

7. Lender's Estoppel. Lender hereby certifies to Subordinate Lender that the following statements are true and correct in all material respects:

Loan is \$1,321,908.74; (a) As of January 1, 1999, the outstanding principal balance of the

January, 1999; (b) Interest accrued on the Loan has been paid to the 1st day of

(c) To the best knowledge of Lender, there are no defaults under the First Mortgage or the promissory note secured thereby which have remained uncured beyond the expiration of any applicable notice and cure periods; and

(d) NCCB, as servicer of the Loan, has the authority to execute and deliver this Agreement on behalf of Lender.

8. Consents and Approvals. If pursuant to any of the Subordinate Loan Documents the consent or approval of Subordinate Lender is required for Borrower or any guarantor to take any action with respect to the Project, and such consent or approval is requested at any time while there exists a default under the Loan Documents (which default shall have remained uncured beyond the expiration of the applicable notice and cure period, if any, provided for in the Loan Documents) and prior to the date upon which the Loan has been repaid in full, then Subordinate Lender shall be deemed to have given such consent or approval if Lender shall give or be deemed to have given its consent or approval.

9. Documentation, etc. Lender may, at any time and from time to time, enter into such amendments, extensions, waivers, increases resulting from advances to protect or preserve the lien of the First Mortgage on the Project (but not any other increases therein) and releases with respect to the Loan Documents and any guarantees thereof or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to Borrower, as Lender in its sole discretion may desire, and the same shall not in any way impair or affect the provisions of this Agreement.

10. Miscellaneous. (a) Subordinate Lender shall cooperate fully with Lender, in order to promptly and fully carry out the terms and provisions of this Agreement. Subordinate Lender shall, from time to time, execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably required by Lender to effectuate the terms of this Agreement.

(b) No failure or delay on the part of Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any

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such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. Subordinate Lender acknowledges that no adequate remedy at law exists for breach of its obligations under this Agreement, and that therefore in the event Subordinate Lender fails to comply with its obligations hereunder, Lender shall have the right to obtain specific performance of such obligations, injunctive relief or such other equitable relief as may be available. The remedies provided for in this Agreement are cumulative and not exclusive of any remedies provided by law.

(c) Any notice, consent, approval, statement, demand or other communication to be given under this Agreement shall be in writing, shall be sent by registered or certified mail (in each case, return receipt requested), hand delivery or by recognized overnight courier service and shall be deemed to be given when received by the party to whom it is addressed. Notices to Subordinate Lender shall be sent to LaSalle National Bank, 135 South LaSalle Street, Suite 1126, Chicago, Illinois 60604 Attention: Mr. Jason Williams (or such other address or addressees as shall be designated by Subordinate Lender in a written notice to Lender). Notices to Lender shall be sent to National Consumer Cooperative Bank, 1401 Eye Street, N.W. Washington DC 20005, Attention: Loan Servicing Department (or such other address or addressees as shall be designated by Lender in a written notice to Subordinate Lender).

(d) In the event of any conflict between the provisions of this Agreement and the provisions of any the Loan Documents or the Subordinate Loan Documents, the provisions of this Agreement shall control. This Agreement shall remain in full force and effect until all of the obligations of Borrower under the Loan Documents have been satisfied.

(e) No person or entity, including, without limitation, Borrower, other than Lender and Subordinate Lender as holders of indebtedness of Borrower under the Loan Documents and the Subordinate Loan Documents, respectively, shall have any rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of each of Lender and Subordinate Lender and their respective successors and assigns. All references herein to "Subordinate Lender" or "Lender" shall refer to any and all persons or entities who may at any time hereafter own any interest in the Loan or the Subordinate Loan, respectively.

(f) This Agreement may be executed in two or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(g) No amendment, supplement or modification of this Agreement shall be effective against a party against whom the enforcement of such amendment, supplement or other modification would be asserted, unless such amendment, supplement or modification was made in a writing signed by such party.

(h) In case any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect the validity, legality

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and enforceability of the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby.

(i) This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

[Signature Page to Follow]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Lender:

NATIONAL CONSUMER COOPERATIVE BANK, on behalf of the registered holders of Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4, as servicer under that certain Participation and Servicing Agreement, dated as of July 2, 1992, for Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4

By: 

Name:

Title: *Vice President*

LASALLE NATIONAL BANK, a national banking association

By: _____

Name:

Title:

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Lender:

NATIONAL CONSUMER COOPERATIVE BANK, on behalf of the registered holders of Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4, as servicer under that certain Participation and Servicing Agreement, dated as of July 2, 1992, for Participation Certificates, Fixed Rate Multifamily Cooperative Commercial Mortgage Loans Series 1992-4

Property of Cook County Clerk's Office

By: _____
Name:
Title:

LASALLE NATIONAL BANK, a national banking association

By: Jason Williams
Name: JASON WILLIAMS
Title: COMMERCIAL BANKING OFFICER

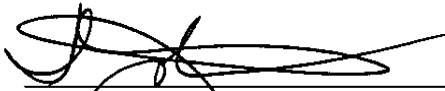
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STATE OF ILLINOIS)
) ss.:
COUNTY OF COOK)

On the 28th day of Jan, in the year 1999, before me, the undersigned, personally appeared Robin Odland, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.





Signature and Office of individual taking acknowledgment.

STATE OF ILLINOIS)
) ss.:
COUNTY OF COOK)

On the _____ day of _____, in the year 1999, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment.

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STATE OF ILLINOIS)
) ss.:
 COUNTY OF COOK)

On the 28th day of JANUARY, in the year 1999, before me, the undersigned, personally appeared JASON WILLIAMS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Jason Williams
 Signature and Office of individual
 taking acknowledgment.

STATE OF ILLINOIS)
) ss.:
 COUNTY OF COOK)

On the _____ day of _____, in the year 1999, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

 Signature and Office of individual
 taking acknowledgment.

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EXHIBIT "A"

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LEGAL DESCRIPTION

Lot 4 (except the southwesterly 215 feet thereof) and Lot 5 in Baird's Lincoln Park Addition to Chicago, a subdivision in the south east corner of the south west 1/4 of Section 28, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

P. I. N. : 14-28-322-015

Commonly known As: 2440 North Lake View Avenue
Chicago, Illinois

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Intercreditor and
Subordination Agreement

Michael S. Kurtzon
Miller, Shakman, Hamilton
Kurtzon & Schilfke

This instrument prepared by:

Tzvi Rokeach
Robinson, Silverman & Pearce, Aronsohn
and Berman LLP
1290 Avenue of the Americas
New York, NY 10104

After Recording Return To:

Michael S. Kurtzon
Miller, Shakman, Hamilton
Kurtzon & Schilfke

208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604

