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WHEN RECORDED MAIL TO:

Brandon R. Calvert, Esq.
Charity & Associates, P.C.
20 North Clark Street, Suite 1150
Chicago, Illinois 60602

2014 010542

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2014 FEB 21 AM 10:07

MICHAEL B. BROWN
RECORDER

(SPACE ABOVE FOR RECORDER'S USE)

SUBORDINATION AGREEMENT

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

THIS SUBORDINATION AGREEMENT ("*Agreement*") is made as of December 20, 2013, by and among NWI VETERANS VILLAGE, LP, an Indiana limited partnership (the "*Borrower*"), BROADWAY AREA COMMUNITY DEVELOPMENT CORPORATION, an Indiana nonprofit corporation (the "*Junior Lienholder*"), and BMO HARRIS BANK N.A., a national banking association (the "*Lender*").

**This Document is the property of
the Lake County Recorder!**

RECITALS

A. The Borrower is the owner of fee simple title in and to the real property (the "*Land*") commonly known as 839 Massachusetts Street, Gary, Indiana 46402 and legally described on Exhibit A attached hereto and made a part hereof, upon which Borrower intends to construct a forty-four (44) unit affordable housing facility (the "*Project*," and, together with the Land, the "*Property*").

B. Pursuant to a Construction Loan Agreement of even date herewith (the "*Senior Loan Agreement*") between Borrower and Lender, the Lender has agreed to make a construction/bridge loan (the "*Senior Loan*") to Borrower to finance in part the costs of the Project. The Senior Loan will be evidenced by that certain promissory note (the "*Senior Note*") of even date herewith executed by Borrower to the order of the Lender in an original principal amount of Six Million Nine Hundred Twenty-Six Thousand and No/100 Dollars (\$6,926,000.00). The Senior Loan will be secured by, among other things, a first priority mortgage in favor of the Lender encumbering the Project (the "*Senior Mortgage*").

C. The Senior Note, the Senior Mortgage, together with the Senior Loan Agreement and the other documents evidencing or securing the Senior Loan, are referred to hereinafter collectively as the "*Senior Documents*").

D. Junior Lienholder has received a Five Hundred Thousand and No/100 Dollar (\$500,000.00) community development block grant from the Indiana Housing and Community Development Authority, and Junior Lienholder has or will lend said grant proceeds to Borrower to finance in part the costs of the Project (the "*Junior Loan*"). The obligations of Borrower to Junior

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Lienholder with respect to the Loan are evidenced by a promissory note in the original principal amount of \$500,000.00 and dated as of an even date herewith (the "*Junior Note*"), and are secured by, among other things, a third priority mortgage in favor of the Junior Lienholder encumbering the Project (the "*Junior Mortgage*"). The Junior Note, Junior Mortgage and all other documents evidencing or securing the Junior Loan, are referred to hereinafter collectively as the the "*Junior Loan Documents*".

E. As used herein, the term "*Junior Obligations*" means any and all indebtedness, claims, debts, liabilities or other obligations to Junior Lienholder under the Junior Loan Documents, together with all costs and expenses, including attorneys' fees, of collection thereof, whether the same accrues or is incurred before or after the commencement of any bankruptcy case by or against the Borrower.

F. As used herein, the term "*Senior Indebtedness*" means any and all indebtedness, claims, debts, liabilities or other obligations from the Borrower to Lender under the Senior Documents, together with all interest accruing thereon and all costs and expenses, including attorneys' fees, of collection thereof, whether the same accrues or is incurred before or after the commencement of any bankruptcy case by or against the Borrower.

G. Pursuant to the Senior Mortgage and the other Senior Documents, the Borrower is not entitled to further encumber the Property without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion.

H. It is a condition precedent to Lender entering into the Senior Documents and permitting the lien of the Junior Mortgage to be recorded as an encumbrance on the Property that the Senior Mortgage and the other Senior Documents be and remain at all times a lien or charge upon the Property, prior and superior to the liens or charges of the Junior Loan Documents.

I. Lender is willing to permit the lien of the Junior Mortgage as an encumbrance on the Property, provided that (1) the Senior Mortgage and the other Senior Documents are a lien or charge upon the Property prior and superior to the liens or charges of the Junior Mortgage and the other Junior Loan Documents, and (2) Junior Lienholder will specifically subordinate the liens or charges of the Junior Mortgage and the other Junior Loan Documents to the lien or charge of the Senior Documents.

J. Junior Lienholder agrees that the Senior Documents shall constitute a lien or charge upon the Property which is prior and superior to the liens or charges of the Junior Loan Documents. The parties hereto enter into this Agreement for the purposes set forth in these Recitals.

K. Capitalized terms used herein and not otherwise defined shall have the meanings set forth for them in the Senior Loan Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to enter into the Senior Documents and make the Senior Loan, it is hereby declared, understood, and agreed as follows:

1. Subordination. The Senior Mortgage and all amendments, modifications, extensions and renewals thereof shall unconditionally be and remain at all times a lien or charge on the Property prior and superior to the lien or charge of the Junior Mortgage and the other Junior Loan Documents. The Junior Lienholder intentionally and unconditionally subordinates the lien or charge of the Junior Mortgage and the other Junior Loan Documents in favor of the lien or charge upon said land of the Senior

Mortgage, and understands that in reliance upon and in consideration of this 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 which would not be made or entered into but for said reliance upon this subordination.

2. Only Agreement Regarding Subordination. Lender would not permit the lien of the Junior Mortgage or any other Junior Loan Documents as an encumbrance on the Property without this Agreement. This Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Junior Mortgage and the other Junior Loan Documents to the lien or charge of the Senior Mortgage and shall supersede and cancel, but only insofar as would affect the priority between said mortgages, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Junior Loan Documents which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

3. Disbursements. Lender is under no obligation or duty to, nor has Lender represented that it will, see to the application by the Borrower of the proceeds of the Senior Loan, and any application or use of such proceeds for purposes other than those provided for in such Senior Documents or the Junior Loan Documents, as applicable, shall not defeat the subordination herein made in whole or in part.

4. Consent and Approval. The Junior Lienholder has received and consents to and approves the Senior Documents, including but not limited to any extension, modification and/or amendment of said Senior Documents and any related agreements, between the Borrower and Lender. No decision by Junior Lienholder to review or not review the Senior Documents shall impair or otherwise limit the enforceability of this Agreement.

5. Other Agreements. Junior Lienholder and Borrower declare, agree, and acknowledge that:

5.1 Subordination of Indebtedness. Any and all Junior Obligations are hereby subordinated and subject to any and all Senior Indebtedness, as set forth herein.

5.2 Permitted Payments. The Borrower may make payments under the Junior Loan Documents, if required, as long as all payments under the Senior Note, the Senior Mortgage and the other Senior Documents are current and not delinquent or in arrears, and only so long as at the time of such payment: (i) no Event of Default exists under the Senior Loan Agreement or the other Senior Loan Documents and no event exists which, with the lapse of time or the giving of notice or both, would be an Event of Default under the Senior Loan Agreement or the other Senior Loan Documents of which Junior Lienholder has received notice; and (ii) the payment would not result in a violation of any of the Borrower's financial covenants set forth in the Senior Loan Agreement ("Permitted Payments").

5.3 Payment Subordination. Except for any Permitted Payments, (a) all of the Senior Indebtedness now or hereafter existing shall be first paid in full by the Borrower before any payment shall be made by the Borrower on the Junior Obligations, and (b) this priority of payment shall apply at all times until all of the Senior Indebtedness has been repaid in full. In the event of any assignment by the Borrower for the benefit of the Borrower's creditors, or any bankruptcy proceedings instituted by or against the Borrower, or the appointment of any receiver for the Borrower or the Borrower's business or assets, or of any dissolution or other winding up of the affairs of the Borrower or of the Borrower's business, and in all such cases respectively, the Borrower's officers and any assignee, trustee in bankruptcy, receiver and other person or persons in charge are hereby directed to pay to Lender the full amount of the Senior Indebtedness before making any payments to Junior Lienholder due under the Junior Obligations.

5.4 Return of Prohibited Payments. Except as otherwise expressly agreed to herein, if Junior Lienholder shall receive any payments or other rights in any property of the Borrower in connection with the Junior Obligations in violation of this Agreement, such payment or property shall be deemed held in trust for the benefit of the Borrower and shall immediately be delivered and transferred to Lender after notice to Junior Lienholder.

5.5 Repayment of Senior Indebtedness. This Agreement shall remain in full force and effect until all obligations of the Borrower under the Senior Documents are fully repaid and all of the terms of this Agreement have been complied with.

5.6 Standstill. Junior Lienholder agrees that, without the Lender's prior written consent, it will not accelerate the Junior Obligations, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action.

6. Senior Agreements. Lender agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "**Foreclosure Remedy**") unless Junior Lienholder has first been given thirty (30) days written notice of the Event(s) of Default giving Lender the right to complete such Foreclosure Remedy, and unless Junior Lienholder has failed, within such thirty (30) day period, to cure such Event(s) of Default; provided, however, that Lender shall be entitled during such thirty (30) day period to continue to pursue all of its rights and remedies under the Senior Documents, including, but not limited to, acceleration of the obligations under the Senior Note or any other part of the Senior Indebtedness (subject to any de-acceleration provisions specifically set forth in the Senior Documents), commencement and pursuit of a judicial or non-judicial foreclosure (but not completion of the foreclosure sale), appointment of a receiver, enforcement of any guaranty (subject to any notice and cure provisions contained therein), and/or enforcement of any other Senior Document. In the event Lender has accelerated the obligations under the Senior Note or any other part of the Senior Indebtedness and Junior Lienholder cures all Events of Default giving rise to such acceleration within the thirty (30) day cure period described above, such cure shall have the effect of de-accelerating such Senior Indebtedness; provided, however, that such de-acceleration shall not waive or limit any of Lender's rights to accelerate such Senior Indebtedness or exercise any other remedies under the Senior Documents as to any future or continuing Events of Default. It is the express intent of the parties hereunder that Lender shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Junior Lienholder for failure to provide timely notice to Junior Lienholder required hereunder, and that Lender's liability hereunder shall be expressly limited to actual and consequential damages to Junior Lienholder directly caused by Lender's completion of a Foreclosure Remedy without Junior Lienholder receiving the notice and opportunity to cure described above. Lender shall give Junior Lienholder notice at the address set forth below or such other address as Junior Lienholder may instruct Lender in writing from time to time:

If to Junior Lienholder:

Broadway Area Community Development Corporation
201 East 5th Avenue, Suite E4
Gary, Indiana 46402

7. Bankruptcy Provisions. To the extent any payment under any Senior Document (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under the Bankruptcy Code or any federal or state bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar

party, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

8. Casualty Insurance Proceeds; Condemnation Proceeds. In the event Lender shall release, for the purposes of restoration of all or any part of the improvements, its right, title and interest in and to the proceeds under policies of insurance thereon, and/or its right, title and interest in and to any awards, or its right, title and interest in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, Junior Lienholder shall simultaneously release (and hereby agrees that it shall be irrevocably and unconditionally deemed to have agreed to release) for such purpose all of Junior Lienholder's right, title and interest, if any, in and to all such insurance proceeds, awards or compensation. Junior Lienholder agrees that the balance of such proceeds remaining after such restoration, or all of such proceeds in the event Lender elects, in accordance with Indiana law, not to release any such proceeds for any such restoration, shall be applied to the payment of amounts due under the Senior Documents until all such amounts have been paid in full, prior to being applied to the payment of any amounts due under the Junior Loan Documents. If Lender holds such proceeds, awards or compensation and/or monitors the disbursement thereof, Junior Lienholder agrees that Lender may also elect, in its sole and absolute discretion, to hold and monitor the disbursement of such proceeds, awards and compensation to which Junior Lienholder is or may be entitled. Nothing contained in this Agreement shall be deemed to require Lender, in any way whatsoever, to act for or on behalf of Junior Lienholder or to hold or monitor any proceeds, awards or compensation in trust for or on behalf of Junior Lienholder, and all or any of such sums so held or monitored may be commingled with any funds of Lender.

9. Effect of Other Agreements. The relationship between the Borrower and Lender under the Senior Documents is, and shall at all times remain, solely that of borrower and lender. Based thereon, Junior Lienholder acknowledges and agrees that Lender does not undertake nor assume any fiduciary responsibility or other responsibility or duty to the Borrower, Junior Lienholder to guarantee or assist in the performance by the Partnership or Junior Lienholder under any of the agreements between those parties and other third parties, including without limitation the Junior Loan Documents.

10. Miscellaneous. This Agreement may be executed in multiple counterparts and the signature page(s) and acknowledgment(s) assembled into one original document for recordation, and the validity hereof shall not be impaired by reason of such execution in multiple counterparts. This Agreement is to be governed according to the laws of the State of Indiana. In the event of action, suit, proceeding or arbitration to enforce any term of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party, as determined by the court or arbitrator, all of the prevailing party's costs and expenses, including without limitation attorneys' fees and expert witness fees, incurred by the prevailing party in connection therewith. If Junior Lienholder or any affiliate of Junior Lienholder shall acquire, by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Property, that lien, estate, right or other interest shall be subordinate to the Senior Mortgage and the other Senior Documents as provided herein, and Junior Lienholder hereby waives, on behalf of itself and such affiliate, until all amounts owed under the Senior Documents have been indefeasibly paid in full and all Lender's obligations to extend credit under the Senior Documents have terminated, the right to exercise any and all such rights it may acquire by indemnification, subrogation or otherwise. The Agreement shall inure to the benefit of, and the binding upon, the parties hereto and the respective successors and assigns.

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[SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

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

JUNIOR LIENHOLDER:

BROADWAY AREA COMMUNITY DEVELOPMENT CORPORATION,
an Indiana nonprofit corporation

By: *Vernita Leslie*
Name: Vernita Leslie
Title: Executive Director

BORROWER:

NWI VETERANS VILLAGE, LP,
an Indiana limited partnership,

By: NWI Veterans Village GP, LLC,
an Indiana limited partnership, its
General Partner

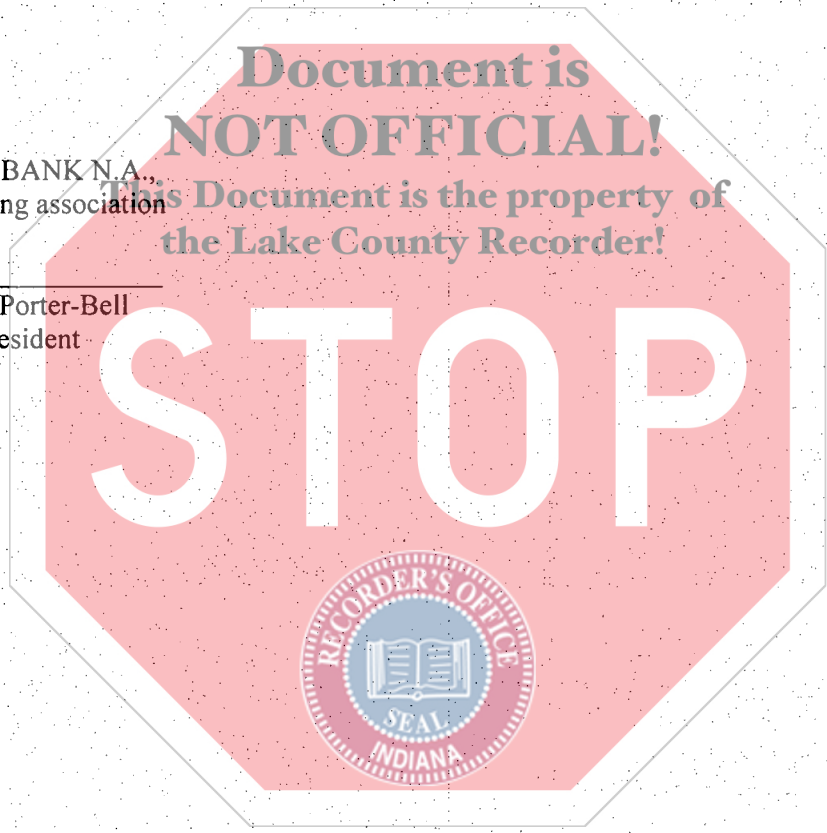
By: Broadway Area Community Development Corporation, an Indiana nonprofit corporation

By: *Vernita Leslie*
Name: Vernita Leslie
Title: Executive Director

LENDER:

BMO HARRIS BANK N.A.,
a national banking association

By: _____
Name: Allison Porter-Bell
Title: Vice President



STATE OF Indiana)
)
COUNTY OF Marion) SS

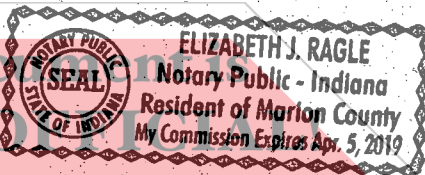
I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Vernita Leslie, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Executive Director of Broadway Area Community Development Corporation, an Indiana nonprofit corporation, the sole member of NWI Veterans Village GP, LLC, an Indiana limited liability company, the general partner of NWI Veterans Village, LP, an Indiana limited partnership, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said partnership for the uses and purposes therein.

Given under my hand and notarial seal this 20th day of December, 2013.

Elizabeth J. Ragle
Notary Public

My Commission Expires:

STATE OF Indiana)
)
COUNTY OF Marion) SS



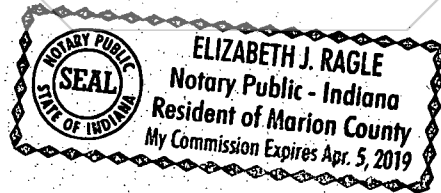
**This Document is the property of
the Lake County Recorder!**

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Vernita Leslie, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Executive Director of Broadway Area Community Development Corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes therein.

Given under my hand and notarial seal this 20th day of December, 2013

Elizabeth J. Ragle
Notary Public

My Commission Expires:



[SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

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

JUNIOR LIENHOLDER:

BROADWAY AREA COMMUNITY
DEVELOPMENT CORPORATION,
an Indiana nonprofit corporation

By: _____
Name: Vernita Leslie
Title: Executive Director

BORROWER:

NWI VETERANS VILLAGE, LP,
an Indiana limited partnership,

By: NWI Veterans Village GP, LLC,
an Indiana limited partnership, its
General Partner

By: Broadway Area Community Development
Corporation, an Indiana nonprofit corporation

By: _____
Name: Vernita Leslie
Title: Executive Director

LENDER:

BMO HARRIS BANK N.A.,
a national banking association

By: 
Name: Allison Porter-Bell
Title: Vice President

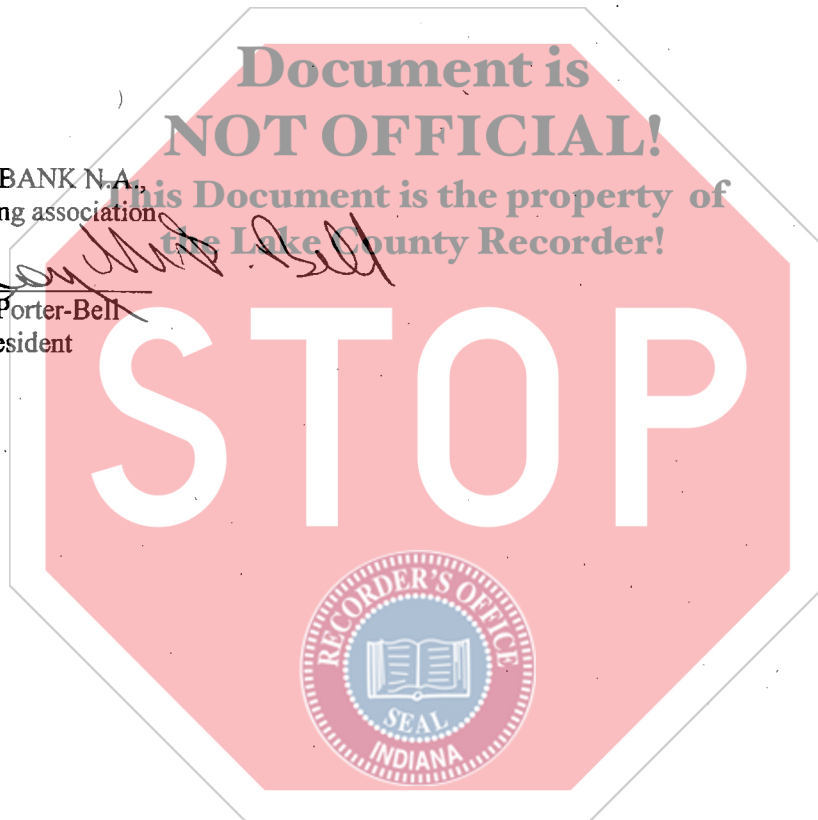


EXHIBIT "A"

LEGAL DESCRIPTION

LOTS 1 THROUGH 30 (INCLUSIVE) AND ALSO THE 20-FOOT WIDE ALLEY BEING VACATED PER DOCUMENT 2013074816, ALL IN BLOCK 13 IN GARY LAND COMPANY'S FIRST ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 6, PAGE 15, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

Commonly known as: 839 Massachusetts Street, Gary, Indiana 46402

