

This document prepared by and after
recording return to:

Duane Morris LLP
190 South LaSalle Street, Suite 3700
Chicago, Illinois 60603
Attn: Daniel Kohn, Esq.

Permanent Tax Index Numbers and Addresses:
See Exhibit A

SUBORDINATION AND STANDBY AGREEMENT

by and among

VILLAGE OF OAK PARK,
an Illinois municipal corporation,

HINSDALE BANK & TRUST COMPANY, N.A.,
a national banking association,

and

OAK PARK RESIDENCE CORPORATION,
an Illinois not-for-profit corporation

Dated as of July __, 2024

SUBORDINATION AND STANDBY AGREEMENT

THIS SUBORDINATION AND STANDBY AGREEMENT dated as of July ___, 2024 (this “**Agreement**”), by and among **VILLAGE OF OAK PARK**, an Illinois home rule municipal corporation (the “**Village**”), whose address is 123 Madison Street, Oak Park, Illinois 60302, **HINSDALE BANK & TRUST COMPANY, N.A.**, a national banking association (the “**Bank**”), whose address is 25 East First Street, Hinsdale, Illinois 60521, Attention: Jeffory A. Teague, and **OAK PARK RESIDENCE CORPORATION**, an Illinois not-for-profit corporation (the “**Mortgagor**”), whose address is 21 South Boulevard, Oak Park, Illinois 60302, Attention David Pope.

WHEREAS, the Mortgagor is owner of the real estate described in Exhibit A attached to this Agreement (the “**Property**”), such Property being divided into multiple parcels as more fully set forth on Exhibit A attached hereto (each, a “**Parcel**”); and

WHEREAS, the Village and the Mortgagor have entered into financing transactions pursuant to which the Village made loans (the “**Village Loans**”) to the Mortgagor, evidenced by the promissory notes of the Mortgagor described in Exhibit B attached to this Agreement (the “**Village Notes**”) each of which Village Loans and Village Notes relates to one of the Parcels of the Property, and some of which Village Notes have been recorded in the Office of the Recorder of Deeds of Cook County, Illinois, and some of which Village Notes are secured by a mortgage or trust deed on one of the Parcels of the property recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the “**Village Mortgages**”), all as described in Exhibit B hereto; and

WHEREAS, the principal of and interest on the Village Notes and the Village Mortgages and all other charges thereon are referred to herein as the “**Village Obligations**”; and

WHEREAS, the Village Notes, the Village Mortgages and all other documents evidencing and securing the Village Loans, including Uniform Commercial Code financing statements, are hereinafter collectively referred to as the “**Village Documents**,” and all references herein to each of such documents and to the Village Documents include any and all modifications, amendments, increases, extensions and renewals thereof and any and all refinancings thereof, whether by the Village or a third party lender; and

WHEREAS, the liens and encumbrances created by the Village Mortgages and the other Village Documents are hereinafter collectively referred to as the “**Village Liens**,” and all references herein to the Village Liens include any and all modifications, amendments, increases, extensions and renewals thereof and any and all refinancings thereof, whether by the Village or a third party lender; and

WHEREAS, the Bank and the Mortgagor have entered into a financing transaction (the “**Hinsdale Credit Facility**”) pursuant to that certain Revolving Line of Credit Loan Agreement dated as of even date herewith (the “**Hinsdale Credit Agreement**”), by and between the Mortgagor and the Bank, whereunder the Bank has agreed to make a revolving loan to the Mortgagor in the original maximum principal amount of Four Million and No/100 Dollars (\$4,000,000.00) (the “**Hinsdale Loan**”), which Hinsdale Loan is evidenced by, among other things, that certain Revolving Credit Note dated as of even date herewith from the Mortgagor in favor of the Bank in

the original maximum principal amount of Four Million and No/100 Dollars (\$4,000,000.00) (the “**Hinsdale Note**”); and

WHEREAS, the Obligations, as defined in the Hinsdale Credit Agreement (the “**Hinsdale Obligations**”), are secured by, among other things, a Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Financing Statement dated as of even date herewith (the “**Hinsdale Mortgage**”), recorded with the Cook County Clerk’s Recording Division on _____, 2024, as Document No. _____, which encumbers the Property and other property; and

WHEREAS, the Hinsdale Credit Agreement, the Hinsdale Note, the Hinsdale Mortgage, and all other documents evidencing and securing the Hinsdale Credit Facility are hereinafter collectively referred to as the “**Hinsdale Documents**,” and all references herein to each of such documents and to the Hinsdale Documents include any and all modifications, amendments, increases, extensions and renewals thereof and any and all refinancings thereof, whether by the Bank or a third party lender; and

WHEREAS, the liens and encumbrances created by the Hinsdale Mortgage and the other Hinsdale Documents are hereinafter collectively referred to as the “**Hinsdale Liens**,” and all references herein to the Hinsdale Liens include any and all modifications, amendments, increases, extensions and renewals thereof and any and all refinancings thereof, whether by Hinsdale or a third party lender; and

WHEREAS, as a condition to extending the Hinsdale Credit Facility, the Bank is requiring that the Village and the Mortgagor execute and deliver this Agreement, and the Village and the Mortgagor have agreed to so execute and deliver this Agreement;

Now, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Recitals. The foregoing recitals are hereby incorporated into and made a part of this Agreement.

Section 2. Subordination. The Village and the Mortgagor hereby agree that the Village Loans, the Village Obligations, the Village Liens, the Village Mortgages and the other Village Documents, and all of the Village’s rights and powers thereunder, are hereby made and shall hereafter be expressly subject and subordinate in all respects to the Hinsdale Credit Facility, the Hinsdale Obligations, the Hinsdale Liens, the Hinsdale Credit Agreement, the Hinsdale Note, the Hinsdale Mortgage and all of the other Hinsdale Documents.

Section 3. Forbearance. The Village hereby agrees that until the Hinsdale Obligations have been paid to the Bank in full and the Hinsdale Liens have been released by the Bank, the Village shall not in any way, manner or respect assert or seek to enforce, against the Property, the Village Liens, the Village Mortgages or any other right or remedy of the Village under all or any of the Village Documents, or otherwise at law or in equity.

Section 4. Payments After Default Under Hinsdale Credit Facility. The Village and the Mortgagor hereby agree that from and after such time as the Mortgagor and the Village have been notified by the Bank that a default has occurred under any Hinsdale Document and that any applicable grace period has expired, the Village shall not accept any payments from the Mortgagor, and the Mortgagor shall not make any payments to the Village, on account of the Village Loans, until the Hinsdale Obligations have been paid to the Bank in full and the Hinsdale Liens have been released by the Bank. Any payments received by the Village, on account of the Village Loans after the Bank has notified the Village of the occurrence of such a default shall be received by the Village in trust for the Bank and shall be forthwith remitted by the Village to the Bank, in kind, properly endorsed to the Bank.

Section 5. Insurance Proceeds and Claims. Until such time as the Hinsdale Obligations have been paid to the Bank in full and the Hinsdale Liens have been released by the Bank, the Village shall immediately endorse in favor of the Bank any and all checks payable to the Village which represent insurance proceeds paid for claims or any awards received by virtue of any condemnation or exercise of the of eminent domain, relating in any manner, whether directly or indirectly, to the Property in any way.

Section 6. Distribution of Assets. In the event of any distribution of the assets or readjustment of the obligations and indebtedness of the Mortgagor, whether by reason of liquidation, composition, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding involving the readjustment of all or any of the indebtedness hereby subordinated, or the application of the assets of the Mortgagor to the payment or liquidation thereof, the Mortgagor and the Village hereby agree that the Bank shall be entitled to receive payment in full of any and all of the Hinsdale Obligations prior to the payment of all or any part of the Village Obligations.

Section 7. Status of Village Loans. The Village hereby represents and warrants to and covenants with the Bank that: (i) the Village has no loans outstanding to the Mortgagor other than those described in Exhibit B hereto; (ii) the Village has not assigned, sold or otherwise transferred the Village Notes, the Village Mortgages, any of the other Village Documents, the Village Liens, the Village Loans, or any interest in any of the foregoing, to any person or entity, and the Village will make no such assignment, sale or transfer unless, prior thereto, the assignee, purchaser or other transferee agrees, in writing, to be bound and abide by the provisions of this Agreement, such agreement from the transferee to be in form and substance acceptable to the Bank in its sole and absolute discretion; (iii) as of the date hereof, the outstanding indebtedness evidenced by each Village Loan is as set forth in Exhibit B hereto; (iv) the Village Loans bear interest, both before and after maturity, at the rate of zero percent per annum; and (v) there is currently no event of default under the Village Notes, the Village Mortgages or any of other the Village Documents, nor does the Village or the Mortgagor have any claims, counterclaims, defenses or rights of set-off against the other in connection with the Village Loans or under the Village Documents. The Mortgagor and the Village hereby represent and warrant to and covenant with the Bank that all of the Village Documents are unmodified and in full force and effect and the Village and the Mortgagor agree not to amend, modify, alter, change, extend or refinance the Village Mortgages or any of the other the Documents without the prior written consent of the Bank, which consent may be given or withheld by the Bank in its sole and absolute discretion.

Section 8. Deed in Lieu of Foreclosure. The Village hereby agrees that the Village Notes and Village Mortgages and all of the Village Liens as encumbrances on the Property, shall, without further action of the parties hereto, be automatically extinguished and be null and void and of no further force and effect upon any conveyance or assignment of the Property to the Bank in lieu of foreclosure, or otherwise. In the event of such a conveyance or assignment, the Village, upon request by the Bank, shall promptly execute a release of the Village Notes, the Village Mortgages and the other Village Documents and the Village Liens as encumbrances on the Property, in form and substance acceptable to the Bank.

Section 9. Waiver. The Village hereby waives (i) notice of acceptance by the Bank of this Agreement; (ii) notice of the non-payment of all or any of the Hinsdale Obligations; (iii) all diligence by the Bank in the collection or protection of or realization upon the Hinsdale Documents or the Hinsdale Obligations; and (iv) any protest, defense, claim or objection to or in any way relating to any amendment, modification, renewal or extension of the terms and provisions of the Hinsdale Obligations or any of the Hinsdale Documents, including, without limitation, any increase in or extension of time for the payment of the Hinsdale Obligations.

Section 10. Waiver of Rights of Subrogation. Until such time as the Hinsdale Obligations have been fully paid and performed, the Village waives any right of subrogation that it may have or obtain pursuant to the exercise of any right or remedy in connection with the Village Notes, the Village Mortgages or the Village Liens, including, without limitation, its rights or remedies, if any, to cure defaults of the Mortgagor or pay claims or satisfy liens which the Mortgagor is otherwise required to pay or satisfy.

Section 11. Commencement of Bankruptcy Proceedings. The Village shall not commence, or join with any other creditor in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to the Mortgagor without first obtaining the Bank's prior written consent, which consent may be given or withheld by the Bank in its sole and absolute discretion.

Section 12. Action Taken by the Bank. The Bank, from time to time, whether before or after any discontinuance of this Agreement, in its sole and absolute discretion and without prior notice to the Village, may take any or all of the following actions: (i) retain or obtain a security interest in the Property or any other property to secure any of the obligations or liabilities created by or associated with the Hinsdale Obligations or the Hinsdale Documents; (ii) retain or obtain the primary or secondary obligation of any other obligor or obligors with respect to any of the obligations or liabilities created by or associated with the Hinsdale Obligations; and (iii) amend, extend, renew, for one or more periods, refinance, release, compromise, alter, increase or exchange any obligations of any nature of any obligor with respect to the Hinsdale Credit Facility, the Hinsdale Obligations or the Property.

Section 13. Assignment by Bank. The Bank, from time to time, whether before or after any discontinuance of this Agreement, in its sole and absolute discretion and without notice to the Village or the Mortgagor, may assign or transfer any or all of the Hinsdale Obligations or any interest therein or any or all of the Hinsdale Documents or any interest therein, and notwithstanding any such assignment or transfer or subsequent assignment or transfer thereof, the Hinsdale Obligations and all of the Hinsdale Documents shall be and remain the Hinsdale Obligations and

the respective Hinsdale Documents for the purposes of and to the extent provided under this Agreement.

Section 14. Notices. The Village and the Mortgagor shall each send to the Bank a copy of all notices sent to or received from the other with respect to the Village Loans. All communications provided for in this Agreement shall be in writing and shall be deemed to be given or made when served personally or two business after deposit in the United States mail, registered or certified, return requested, prepaid, addressed as follows:

If to the Village:

Village of Oak Park, Illinois
123 Madison Street
Oak Park, Illinois 60302
Attention: Village Manager

If to the Bank:

Hinsdale Bank & Trust Company, N.A.
25 East First Street
Hinsdale, Illinois 60521
Attention: Jeffory A. Teague

If to the Mortgagor:

Oak Park Residence Corporation
21 South Boulevard
Oak Park, Illinois 60302
Attention: Maria Saldana

with a copy to:

Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle Street
Suite 1900
Chicago, Illinois 60605
Attention: Nicholas J. Brunick

or to such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

Section 15. Execution of Additional Documents. The Village and the Mortgagor shall execute such additional documents and instruments and take such additional actions as the Bank may request from time to time to carry out the intent and purposes of this Agreement, including, but not limited to, executing and delivering such documents as the Bank may request upon any amendment, modification, renewal or extension of the Hinsdale Credit Agreement, the Hinsdale Mortgage or any other Hinsdale Document; provided, however, that the failure or refusal of the

Village or the Mortgagor to execute any such document shall not in any manner render any of the provisions of this Agreement ineffective.

Section 16. Entire Agreement. This sets forth all of the covenants, conditions and understandings of the parties relating to the subject matter and there are no covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Agreement, and there are no covenants, promises, agreements, conditions understandings, either oral or written, between them relating to the subject matter of this Agreement other than as are herein set forth.

Section 17. Successors. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors, assigns and legal representatives.

Section 18. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 19. Amendments, Changes and Modifications. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument executed by all of the parties hereto.

Section 20. Construction. (a) The words “hereof,” “herein,” and “hereunder,” and other words of a similar import refer to this Agreement as a whole and not to the individual Sections in which such terms are used.

(b) References to Sections and other subdivisions of this Agreement are to the designated Sections and other subdivisions of this Agreement as originally executed.

(c) The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

(d) Where the context so requires, words used in singular shall include the plural and vice versa, and words of one gender shall include all other genders.

(e) Each party to this Agreement and legal counsel for each party have participated in the drafting of this Agreement, and accordingly the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Agreement.

[Signature Page(s) and Exhibit(s), if any, follow this page]

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

VILLAGE OF OAK PARK, ILLINOIS, an
Illinois municipal corporation

By: _____
Title: _____

ATTEST:

Title: _____

HINSDALE BANK & TRUST
COMPANY, N.A., a national banking
association

By: _____
Title: _____

ATTEST:

Title: _____

OAK PARK RESIDENCE
CORPORATION, an Illinois not-for-profit
corporation

By: _____
Title: _____

ATTEST:

Title: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024,
by _____ and _____
_____, respectively, of the Village of Oak Park, Illinois, an
Illinois municipal corporation on behalf of said Village.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024,
by _____, _____, of Hinsdale Bank & Trust
Company, N.A., a national banking association, on behalf of the bank.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024,
by _____ and _____
_____, respectively, of the
Oak Park Residence Corporation, an Illinois not for profit corporation, on behalf of the
Corporation.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

For APN/Parcel ID(s): 16-05-314-030-0000

PARCEL 1:

LOT 12 (EXCEPT THE NORTH 15 1/2 FEET THEREOF) IN BLOCK 8 IN HOOKER'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Common address: 1000 North Austin Boulevard, Oak Park, Illinois 60302

For APN/Parcel ID(s): 16-05-314-024-0000

PARCEL 2:

LOT 7 IN BLOCK 8 IN HOOKER'S SUBDIVISION OF THE NORTH EAST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Common address: 1022-1024 North Austin Boulevard, Oak Park, Illinois 60302

For APN/Parcel ID(s): 16-17-305-006-0000

PARCEL 4:

LOTS 1 AND 2 IN BLOCK 3 IN AUSTIN PARK, A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common address: 101 Harrison Street, Oak Park, Illinois 60304

For APN/Parcel ID(s): 16-08-319-012-0000

PARCEL 5:

LOT 78 IN O. R. ERWIN'S SUBDIVISION OF THE SOUTH 1466.5 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTH WEST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Common address: 411-415 South Harvey Avenue, Oak Park, Illinois 60302

For APN/Parcel ID(s): 16-17-301-006-0000

PARCEL 7:

LOTS 1, 2, AND 3 IN BLOCK 3 IN WEST HARRISON STREET SUBDIVISION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common address: 301 Harrison Street, Oak Park, Illinois 60304

EXHIBIT B
DESCRIPTION OF VILLAGE LOANS AND DOCUMENTS

1. Village Loan Relating to Parcel 1
 - A. Original Amount: \$171,500
 - B. Current Balance: ***\$171,500***
 - C. Promissory Note dated October 20, 1997
 - D. Trust Deed dated October 20, 1997, recorded March 19, 1998, as Document No. 98213995

2. Village Loan Relating to Parcel 2
 - A. Original Amount: \$108,000
 - B. Current Balance: ***\$108,000***
 - C. Promissory Note dated November 4, 1996
 - D. Trust Deed dated November 4, 1996, recorded December 10, 1996, as Document No. 96933379

3. Village Loans Relating to Parcel 4
 - E. Original Amount: \$63,000 and \$9,533.33
 - F. Current Balance: ***\$63,000 and \$9,533.33***
 - G. Promissory Note dated November 30, 1989, and Addendum to Promissory Note, all recorded February 4, 1999, as Document No. 99118762
 - H. Mortgage dated May 15, 2023, recorded September 5, 2023, as Document No. 11112324813022054007

4. Village Loans Relating to Parcel 5
 - I. Original Amounts: \$198,500 and \$10,000
 - J. Current Balances: ***\$198,500 and \$10,000***
 - K. Mortgage dated April 1, 2011, recorded April 20, 2011, as Document No. 1111054007
 - L. Mortgage dated May 15, 2023, recorded September 5, 2023, as Document No. 2324846031

5. Village Loans Relating to Parcel 7
 - M. Original Amounts: \$750,000 and \$10,000
 - N. Current Balances: ***\$750,000 and \$10,000***
 - O. Mortgage dated April 3, 2006, recorded April 26, 2006, as Document No. 0611648027
 - P. Mortgage dated May 15, 2023, recorded September 5, 2023, as Document No. 2324846066