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Cook County Recorder

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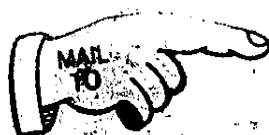
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THIS INSTRUMENT PREPARED BY  
AND WHEN RECORDED MAIL TO:

Adam R. Walker  
Assistant Corporation Counsel  
City of Chicago Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602

**SUBORDINATION AGREEMENT**

**THIS SUBORDINATION AGREEMENT** ("Subordination Agreement") is made as of January 31, 2002, by Washington Court Limited Partnership, an Illinois limited partnership ("Borrower"), the owner of fee simple title to the real property hereinafter described, with a mailing address of c/o IMC Property Management, LLC, 1 East Superior Street, Chicago, Illinois 60611, Illinois Housing Development Authority ("Senior Lender"), a body politic and corporate of the State of Illinois, with a mailing address of 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611, and the CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation, through its Department of Housing, with a mailing address of 318 South Michigan Avenue, Chicago, Illinois 60604 ("Junior Lender").



Box 430

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**RECITALS**

- A. The City made a Loan to the Borrower on April 30, 1991, which was evidenced by, among other things, that certain Housing Loan Agreement dated April 30, 1991, made by and among the Borrower and the City, and that certain Note dated April 30, 1991, made by the Borrower in favor of the City in the original principal amount of the Loan; and secured by that certain Junior Mortgage and Security Agreement dated April 30, 1991, made by the Borrower in favor of the City (the "Junior Mortgage") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201222; and further secured by that certain Assignment of Rents and Leases dated April 30, 1991, made by the Borrower in favor of the City (the "Junior Assignment of Rents and Leases") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201223; and further secured by that certain Declaration of Restrictive Covenants and Regulatory Agreement dated April 30, 1991, made by and among the Borrower and the City ("Regulatory Agreement") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201220. The Junior Mortgage, Junior Assignment of Rents and Leases and Regulatory Agreement are collectively referred to herein as the "Junior Loan Documents." The Junior Loan Documents encumber certain real property located at 5032-5040 West Washington Boulevard, 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").
- B. The Junior Mortgage and Junior Assignment of Rents and Leases are subordinate and subject to the rights created under that certain mortgage executed by the Borrower in favor of Continental Community Development Corporation, dated as of April 30, 1991 and recorded in the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201221 ("Original Senior Mortgage"), securing a loan in the amount of \$771,058.00 from Continental Community Development Corporation to the Borrower ("Original Senior Loan"), which loan and mortgage was assigned to Bank of America National Trust and Savings Association on February 2, 1999 and recorded in the Cook County Recorder of Deeds on May 12, 1999 as Document No. 99459571.
- C. The Junior Lender and the Borrower have executed or will execute as of the date hereof an amendment to the Junior Loan Documents ("Amendment").
- D. Junior Lender and Borrower desire that Senior Lender make a mortgage loan to Borrower in the amount of \$539,735 ("Senior Loan") which, with the addition of up to \$125,000 in funds from the Borrower, shall be used to pay off the Original Senior Loan and secure the release of the Original Senior Mortgage. Dated as of the date hereof, Borrower has executed or will execute a Mortgage, Security Agreement and Assignment of Rents and Leases, ("Senior Mortgage"), a Mortgage Note ("Senior Note") in the amount of \$539,735, in favor of Senior

Lender, and a Regulatory and Land Use Restriction Agreement ("Senior Regulatory Agreement"). The Senior Mortgage secures the Senior Note and is being recorded concurrently herewith. The Senior Note, Senior Mortgage, Senior Regulatory Agreement and any other documents evidencing and securing the Senior Loan are hereinafter collectively referred to as the "Senior Loan Documents." The obligations evidenced by the Senior Loan Documents are referred to as the "Senior Liabilities." Once the Original Senior Loan is paid off, the Borrower and Senior Lender agree to promptly ensure that the Original Senior Mortgage is released.

- E. It is a condition to the Senior Lender making the Senior 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 Junior Loan Documents.
- F. Senior Lender would not make the Senior Loan without this Subordination Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **AGREEMENTS**

- 1. The above Recitals are incorporated herein and made a part hereof by reference.
- 2. The Senior Mortgage and Senior Regulatory Agreement, and any and all renewals, modifications, extensions or advances thereunder or secured hereby (including interest thereon), unconditionally and will remain at all times a lien, claim or charge on the Property prior and superior to the Junior Mortgage and the Junior Loan Documents, as amended by the Amendment. The maximum amount of indebtedness secured by the Senior Mortgage is \$1,619,205, plus interest, plus any disbursements for the payment of taxes and insurance on the Property, plus interest thereon, plus any other sums advanced in accordance with the terms thereof or any of the other Senior Loan Documents to protect the security of the Senior Mortgage or any of the other Senior Loan Documents, including, without limitation any Protective Advances (as defined in the Senior Mortgage), plus interest thereon.
- 3. The Junior Lender agrees that:
  - A. Junior Lender intentionally and unconditionally: (i) consents to the liens, claims and charges upon the Property of the Senior Loan Documents, and (ii) subjects and subordinates the liens, claims and charges of the Junior Loan Documents, as amended by the Amendment, in favor of the liens, claims and charges upon the Property of the Senior Loan Documents and understands that in reliance upon, and in consideration of, this subsection

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 Senior Lender's reliance upon this subjection and subordination.

- B. Any waiver or forbearance by the Senior Lender in the exercise of its rights and remedies under the Senior Mortgage shall not impair the priority of the lien of the Senior Mortgage.

4. This Subordination Agreement is the whole and only agreement with regard to the subordination of the liens, claims and charges of the Junior Loan Documents, as amended by the Amendment, to the Senior Loan Documents. This Subordination Agreement is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

5. 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 costs and attorneys' fees as awarded in the action.

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

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this Subordination Agreement is executed as of the day and year above written.

**CITY OF CHICAGO, ILLINOIS**

acting by and through its Department of Housing

By: \_\_\_\_\_

JOHN G. MARKOWSKI

Its: \_\_\_\_\_

COMMISSIONER

**Illinois Housing Development Authority ("Senior Lender")**, a body politic and corporate of the State of Illinois

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Washington Court Limited Partnership**, an Illinois limited partnership

By: Investment Management Corporation, an Illinois not for profit corporation and its sole general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Steven A. Merrill

Steven A. Merrill

Treasurer

IN WITNESS WHEREOF, this Subordination Agreement is executed as of the day and year above written.

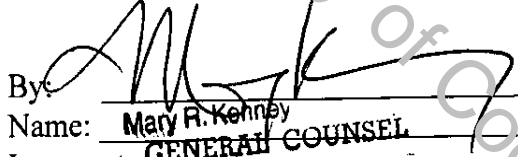
**CITY OF CHICAGO, ILLINOIS**

acting by and through its Department of Housing

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Illinois Housing Development Authority ("Senior Lender")**, a body politic and corporate of the State of Illinois

By:   
Name: Mary R. Kenney  
Its: GENERAL COUNSEL

**Washington Court Limited Partnership**, an Illinois limited partnership

By: Investment Management Corporation, an Illinois not for profit corporation and its sole general partner


By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF ILLINOIS       )  
                                      ) SS  
COUNTY OF COOK       )

I, the undersigned, a notary public in and for the County and State aforesaid, do hereby certify that JOHN G. MARKOWSKI, personally known to me to be the \_\_\_\_\_ Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") 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 as such \_\_\_\_\_ Commissioner, he/she signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31<sup>ST</sup> day of JANUARY, 2002.

(SEAL)

  
Notary Public





STATE OF ILLINOIS       )  
                                      ) SS.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that STEVEN A. MERRILL, personally known to me to be the TREASURER of Investment Management Corporation (the "General Partner"), an Illinois not for profit corporation and sole general partner of Washington Court Limited Partnership (the "Borrower"), an Illinois limited partnership, and 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 as such TREASURER, he/she signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31<sup>ST</sup> day of JANUARY, 2002.



Notary Public

(SEAL)



STATE OF ILLINOIS       )  
                                      ) SS  
COUNTY OF COOK       )

I, the undersigned, a notary public in and for the County and State aforesaid, DO  
HEREBY CERTIFY THAT Mary R. Kenney, personally known to me to be the GENERAL COUNSEL  
the Illinois Housing Development Authority (the "New Senior Lender") 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 as such GENERAL COUNSEL (s)he signed and  
delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the  
free and voluntary act and deed of said New Senior Lender, for the uses and purposes therein set  
forth.

GIVEN under my hand and notarial seal this 31st day of January, 2002.

(SEAL)

Carolyn L. Lewis  
Notary Public



**EXHIBIT A****Legal Description**

THE EAST 5 FEET 8 INCHES OF LOT 31 AND ALL OF LOTS 32, 33, 34 AND 35, ALSO THE WEST 13 FEET 7 ¾ INCHES OF LOT 36 ALL IN BLOCK 8 IN DERBY'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

**Address Commonly Known as:**

5032-40 West Washington Boulevard, Chicago, Illinois

**PIN:**

16-09-422-021 ✓

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