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This document was prepared  
by and after recording, return  
to: Richard B. Muller,  
Illinois Housing Development  
Authority  
401 N. Michigan Avenue, Ste. 900  
Chicago, Illinois 60611  
Property Identification No.:  
28-09-404-015, 28-09-404-078 ✓  
Property Address:  
14900 South Cicero Ave.,  
Oak Forest, Illinois

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2880/0125 49 001 Page 1 of 6  
2002-10-31 15:36:31  
Cook County Recorder 34.00



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ML-281

FHA Project No. 071-98024-YHA  
IHDA Loan No. RS-281  
IHDA Form No. RS-12

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## SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 1<sup>st</sup> day of October, 2002, by ALDEN REALTY SERVICES, INC. ("Manager"), to and for the benefit of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended from time to time ("Lender").

### R E C I T A L S:

WHEREAS, Lender has agreed to make a loan to Oak Forest Horizon Limited Partnership, an Illinois limited partnership ("Borrower"), in the maximum principal amount of Two Million Five Hundred Seventy Thousand and No/100 Dollars (\$2,570,000.00) (the "Loan") for the construction of a multifamily housing development known as Oak Forest Horizon Senior Living Community (the "Development"), to be located on the real estate described on Exhibit A attached hereto and made a part hereof. The Loan is secured by that certain Mortgage, Security Agreement and Assignment of Rents and Leases dated as of the date hereof given by Borrower in favor of Lender (the "Mortgage") and certain other documents evidencing, securing and governing the Loan. The Mortgage and such other loan documents are collectively referred to in this Agreement as the "Loan Documents"; and

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**WHEREAS**, Owner and Manager have entered into a certain Management Agreement dated \_\_\_\_\_, 2002 (the "Management Agreement"), whereby Manager has agreed to furnish services for the rental, operation and management of the Development in exchange for certain payments to Manager for its services and the payment of expenses incurred by Manager in connection with such services; and

**WHEREAS**, pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/0.1 et seq., as amended from time to time, managers may have lien rights with respect to unpaid fees, expenses and other costs incurred in connection with the management of real property and improvements; and

**WHEREAS**, in addition, Borrower executed and delivered an Assignment of Contracts, Licenses and Permits of even date herewith for the benefit of Lender (the "CLP Assignment"), which included an assignment of the Management Agreement; and

**WHEREAS**, Lender requires, as a condition precedent to its making of the Loan, that (i) the lien and security interests of the Mortgage and the other Loan Documents be paramount, superior and prior to any and all existing liens or future rights to liens of Manager or any person or entity claiming by, through or under Manager which arise from or relate to the Management Agreement or any obligations, expenses and indebtedness arising thereunder or related to the Management Agreement (collectively, the "Junior Liens"); and (ii) Manager consent to the CLP Assignment.

**NOW, THEREFORE**, in consideration of the mutual covenants made in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and to induce Lender to make the Loan, it is agreed as follows:

1. The foregoing recitals are incorporated in this Agreement.
2. The Junior Liens are subordinated and made subject to the lien and operation of the Mortgage and other Loan Documents and any indebtedness, liabilities or obligations arising under or secured by such documents.
3. Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) certified or registered United States mail, postage prepaid, return receipt

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requested.

To Manager:  
Alden Realty Services, Inc.  
4200 W. Peterson  
Chicago, Illinois 60646  
Attn.: Ms Randi Schullo

To Lender:

Illinois Housing Development Authority  
401 N. Michigan Ave., Suite 900  
Chicago, Illinois 60611  
Attention: Director, Multifamily Programs

with a copy to:

Illinois Housing Development Authority  
401 N. Michigan Ave., Suite 900  
Chicago, Illinois 60611  
Attention: General Counsel

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

4. This Agreement shall be binding upon Manager and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

5. Manager agrees to execute such further documents or instruments and take such further actions as Lender may reasonably request, at any time and from time to time, to carry out the intent of this Agreement.

6. Notwithstanding anything contained in the Management Agreement to the contrary, at any time following the date on which Lender (or any affiliate or designee of Lender) becomes an owner of any portion of the Development in any manner (including, without limitation, by purchasing the Development at a foreclosure sale or by acceptance of a deed in lieu of

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foreclosure), Lender shall have the right to terminate the Management Agreement (without penalty or payment of any sum) upon not less than five (5) days' prior written notice to Manager.

7. Manager acknowledges receipt of a copy of, and consents to, the CLP Assignment by Borrower, and agrees to each and all of its terms and conditions.

8. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Subordination of Management Agreement to be executed by its duly authorized representative.

ALDEN REALTY SERVICES, INC.,  
an Illinois corporation

By: Randi Schullo

Printed Name: RANDI SCHULLO

Title: Vice Pres

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STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF                )

## ACKNOWLEDGMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that RANDI SCHULLO, the VICE PRESIDENT of Alden Realty Services, Inc., 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 he signed and delivered the said instrument in his capacity as VICE PRESIDENT of Alden Realty Services, Inc. as his free and voluntary act and deed and as the free and voluntary act and deed of Alden Realty Services, Inc. for the uses and purposes therein set forth.

Given under my hand and official seal this 22<sup>ND</sup> day of October, 2002.



Notary Public



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## EXHIBIT A

### LEGAL DESCRIPTION

ALDEN HORIZON OF OAK FOREST

(ML-281)

LOTS 1, 2 AND THE NORTH  $\frac{1}{2}$  OF LOT 3 (EXCEPT THE EAST 17 FEET THEREFROM OF SAID LOTS) IN BLOCK 24 OF ARTHUR T. MCINTOSH'S ADDITION TO MIDLOTHIAN FARMS BEING A SUBDIVISION OF SOUTH WEST  $\frac{1}{4}$  OF THE SOUTH EAST  $\frac{1}{4}$  AND THE EAST  $\frac{1}{2}$  OF THE SOUTH EAST  $\frac{1}{4}$  OF SECTION 9 AND THE WEST  $\frac{1}{4}$  OF THE SOUTH WEST  $\frac{1}{4}$  AND THE WEST  $\frac{33}{80}$ THS OF THE EAST  $\frac{1}{2}$  OF THE SOUTH WEST  $\frac{1}{4}$  OF SECTION 10, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

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