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697 This document prepared by
and after recording, return
to:

Aaron B. Zarkowsky
Deutsch, Levy & Engel, Chartered
225 W. Washington Street, Ste. 1700
Chicago, Illinois 60606



Doc#: 0336527149
Eugene "Gene" Moore Fee: \$36.00
Cook County Recorder of Deeds
Date: 12/31/2003 02:10 PM Pg: 1 of 7

IHDA Loan No. ML-290

SUBORDINATION OF MANAGEMENT AGREEMENT

This SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 18th day of December, 2003, by NHPM MANAGEMENT, LP ("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").

RECITALS:

WHEREAS, Lender has agreed to make two (2) loans (the "Loans") to Northpoint Preservation Limited Partnership ("Owner"), one to be a first mortgage loan to be made from proceeds of bonds issued by Lender in the amount of \$19,900,739.00 and the other to be a second mortgage loan in the amount of \$1,640,000.00, for an aggregate principal amount of Twenty-One Million Five Hundred Forty Thousand Seven Hundred Thirty-Nine and 00/100 Dollars (\$21,540,739) for the rehabilitation of a multifamily housing development known as Northpoint Apartments (the "Development") located on the real estate described on Exhibit A attached hereto and made a part hereof. The Loans are secured by, among other things, that certain Mortgage, Security Agreement and Assignment of Rents and Leases dated as of the date hereof given by the Owner in favor of Lender (the "Mortgage"), a Second Mortgage, Security Agreement and Assignment of Rents and Leases dated as of the date hereof given by the Owner in favor of Lender ("Junior Mortgage") and certain other documents evidencing, securing and governing the Loans. The Mortgage, Junior Mortgage and such other loan documents are collectively referred to in this Agreement as the "Loan Documents"; and

WHEREAS, Owner and Manager have entered into a certain Management Agreement dated December 18, 2003 (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

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incurred in connection with the management of real property and improvements; and

WHEREAS, in addition, Borrower has 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 Loans, that (i) the lien and security interests of the Mortgage, the Junior 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 "Subordinate 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 Subordinate Liens are hereby subordinated and made subject to the lien and operation of the Mortgage, the Junior Mortgage and other Loan Documents and any indebtedness, liabilities or obligations arising under or secured by such documents.
3. 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.
4. 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 foreclosure), Lender shall have the right to terminate the Management Agreement (without penalty or payment of any sum) upon not less than thirty (30) days' prior written notice to Manager.
5. 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 requested.

To Manager:

NHPMN Management, LP
55 Beattie Place, 3rd Floor
Greenville, SC

To Lender:

Illinois Housing Development Authority
401 N. Michigan Ave., Suite 900
Chicago, Illinois 60611

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Property of Cook County Clerk's Office

(Signature Page Follows)

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.

7. 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. 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.

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.

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

with a copy to:

Attention: Director, Multifamily Programs

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

NHPMN Management, LP

a Delaware limited partnership

By: Lance Graber

Printed Name: Lance Graber

Title: Authorized Agent

STATE OF ILLINOIS

) SS

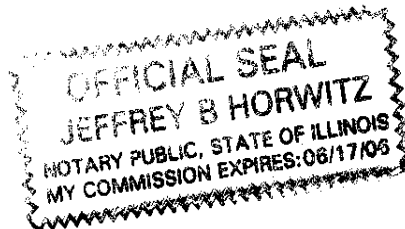
COUNTY OF)

ACKNOWLEDGMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that Lance Graber, the Authorized Agent of NHPMN Management, LP, 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 Authorized Agent of NHPMN Management, LP as his free and voluntary act and deed and as the free and voluntary act and deed of NHPMN Management, LP for the uses and purposes therein set forth.

Given under my hand and official seal this 18th day of December, 2003.

Jeffrey B. Horwitz
Notary Public



UNOFFICIAL COPY**EXHIBIT A****LEGAL DESCRIPTION OF REAL ESTATE**

	<u>Common Address & PIN</u>	<u>Legal Description</u>
Building 1	1710-20 W. Juneway 13-30-205-010-0000	The West 11 feet of Lot 9 and all of Lots 10, 11 and 12 in Block 2 in O'Leary's Subdivision of part of the South 1/2 of the Northeast 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.
Building 2	1658-60 W. Juneway 13-30-205-010-0000	Lots 3, 4, and 5 and the East 11 feet of Lot 6 in Block 2 in David P. O'Leary's Subdivision of the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.
Building 4	1634-44 W. Juneway 11-30-205-015-0000	Lots 10, 11, and 12 and the East 21 6/12 feet of Lot 13 in Block 3 in David P. O'Leary's Subdivision part of the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.
Building 6	7740-12 N. Marshfield 1643-49 W. Juneway 11-30-216-007-0000	Lot 1 in Block 6 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 both inclusive of David P. O'Leary's Subdivision of the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, lying East of the Chicago, Milwaukee and St. Paul Railroad Company in Cook County, Illinois.
Building 7	7700-04 N. Paulina 1700-10 W. Jonquil 11-30-215-014-0000	Lot 12 in Block 8 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 inclusive of David P. O'Leary's Subdivision in the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, (lying East of the Chicago, Milwaukee and St. Paul Railroad) in Cook County, Illinois.
Building 8	7701-07 N. Paulina 1646-56 W. Jonquil 11-30-216-006-0000	Lots 11 and 12 in Block 7 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 both inclusive in David P. O'Leary's Subdivision in South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, (lying East of the Chicago, Milwaukee and St. Paul Railroad) in Cook County, Illinois.
Building 9	7717-23 N. Paulina 11-30-216-004-0000	Lots 6, 7, and 8 in Block 7 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 of David P. O'Leary's Subdivision in the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, in Cook

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	<u>Common Address & PIN</u>	<u>Legal Description</u>
Building 10	7741-43 N. Marshfield 1735-41 W. Juneway 11-30-217-001-0000	County, Illinois. Lot 1 in Block 5 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 both inclusive of David P. O'Leary's Subdivision in the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian, lying East of Chicago, Milwaukee and St. Paul Railroad in Cook County, Illinois.
Building 14	7651-57 N. Ashland 549-51 W. Jonquil; 11-29-105-001-0000	Lots 22 and 23 in Germania Addition to Evanston, a Subdivision of Blocks 2 and 3 of Dreyers Lake Shore Addition and that part of the North West 1/2 of Section 29, Township 41 North, Range 14, East of the Third Principal Meridian, lying North of the Indian Boundary Line, and South and West of said Blocks 2 and 3, recorded August 13, 1892 as Document 1716731, in Cook County, Illinois.
Building 15	7639-47 N. Ashland 11-29-105-002-0000	Lots 24 and 25 in Germania Addition to Evanston, a Subdivision of Blocks 2 and 3 of Dreyer's Lake Shore Addition to Evanston in that part of the North West fractional 1/4 of Section 29, Township 41 North, Range 14, East of the Third Principal Meridian, lying North of the Indian Boundary Line, and South West of said Block 2 and 3, recorded August 13, 1892 as Document 1716731, in Cook County, Illinois.
Building 16	7638-46 N. Bosworth 11-29-105-012-0000	Lots 42 and 43 in Germania Addition to Evanston, a Subdivision of Blocks 2 and 3 of Dreyer's Lake Shore Addition to Evanston and that part of the North West 1/2 of Section 29, Township 41 North, Range 14, East of the Third Principal Meridian, lying North of the Indian Boundary Line and South and West of said Blocks 2 and 3 in Cook County, Illinois.
Building 17	7628-36 N. Bosworth 11-29-105-013-0000	Lots 40 and 41 in Germania Addition to Evanston, a Subdivision of Blocks 2 and 3 of Dreyer's Lake Shore Addition of Evanston and that part of the North West 1/2 of Section 29, Township 41 North, Range 14, East of the Third Principal Meridian, lying North of the Indian Boundary Line and South Westerly of said Blocks 2 and 3 in Cook County, Illinois.
Lot B	7739-43 N. Paulina 1655-57 W. Juneway 11-30-216-001-0000	Lots 1, 2 and 3 in Block 7 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 in David P. O'Leary's Subdivision of the part of the South half of the North East quarter of Section 30, Township 41 North, Range 14, East of the Third Principal

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	<u>Common Address & PIN</u>	<u>Legal Description</u>
Lot D	7711-15 N. Paulina 11-30-216-005-0000	Meridian in Cook County, Illinois. Lots 9 and 10 in Block 7 in Gunderson's North Birchwood Subdivision of Blocks 4 to 17 in David P. O'Leary's Subdivision of the South 1/2 of the North East 1/2 of Section 30, Township 41 North, Range 14, East of the Third Principal Meridian in Cook County, Illinois.

