



This Document Prepared by
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Doc#: 0630442195 Fee: \$166.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/31/2006 01:25 PM Pg: 1 of 32

SUBORDINATION AGREEMENT (Construction Period)

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is entered into as of the 1st day of October, 2006 by and among (i) JPMORGAN CHASE BANK, N.A., a national banking association (the "**Senior Lender**"), (ii) CHICAGO HOUSING AUTHORITY, an Illinois municipal corporation (the "**Second Lender**"), (iii) CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation (the "**Third Lender**") and (iv) WHP-IIB, LLC, an Illinois limited liability company (the "**Borrower**").

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Recitals

A. The Senior Lender has made a loan to the Borrower in the aggregate original principal amount of \$9,520,000.00 (this principal sum of \$9,520,000.00, together with interest to accrue thereon and any and all other Payments Obligations (as hereinafter defined) in connection therewith, is referred to herein as the "**First Mortgage Loan**"). The First Mortgage Loan is or will be secured by that certain Mortgage of even date herewith granted by Borrower to the Senior Lender (the "**First Mortgage**") encumbering certain property known as Westhaven Park Phase IIB Rental, City of Chicago, Cook County, Illinois (the "**Property**"). The Property is more fully described in Exhibit A attached hereto. The Borrower's obligation to repay the First Mortgage Loan is evidenced by that certain Mortgage Note (Construction Loan) of even date herewith made by Borrower to the order of the Senior Lender in the stated principal amount of the First Mortgage Loan (as amended from time to time, the "**First Mortgage Note**"). Payment of the First Mortgage Note is due in full on April 30, 2009.

B. The Borrower has requested the Senior Lender to permit the Second Lender to make a subordinate loan to Borrower in the amount of \$10,236,201.00 (this principal sum of \$10,236,201.00, together with interest to accrue thereon and any and all other Payments Obligations (as hereinafter defined) in connection therewith, is referred to herein as the "**Second Subordinate Loan**") and to secure the Second Subordinate Loan by, among other things, placing a mortgage lien against the Property.

C. The Borrower has requested the Senior Lender to permit the Third Lender to make a subordinate loan to Borrower in the amount of \$7,250,000.00 (this principal sum of \$7,250,000.00, together with interest to accrue thereon and any and all other Payments Obligations (as hereinafter defined) in connection therewith, is referred to herein as the "**Third Subordinate Loan**") and to secure the Third Subordinate Loan by, among other things, placing a mortgage lien against the Property.

D. In connection with the commitment of the Senior Lender to make a permanent loan in the principal amount of up to \$2,400,000.00 (the "**Permanent Loan**"), the Borrower has agreed

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to execute and deliver to the Permanent Lender that certain Rate Lock Note (the obligations of the Borrower under the Rate Lock Note, together with interest to accrue thereon and any and all other Payments Obligations (as hereinafter defined) in connection therewith, is referred to herein as the **"Fourth Subordinate Loan"**) and to secure the Fourth Subordinate Loan by placing a mortgage lien against the Property. Notwithstanding the designation of the obligations under the Rate Lock Note as the Fourth Subordinate Loan hereunder, the parties acknowledge that the mortgage securing the Fourth Subordinate Loan is by its terms subordinate to that certain mortgage in favor of One Mortgage Partners Corp. in the principal amount of \$533,500.

E. The Senior Lender has agreed to permit the Subordinate Lenders (as defined below) to make their respective Subordinate Loans (as defined below) and to place subordinate mortgage liens against the Property subject to all of the conditions contained in this Agreement.

NOW, THEREFORE, in order to induce the Senior Lender to permit the Subordinate Lenders to make the Subordinate Loans to the Borrower and to place subordinate mortgage liens against the Property, and in consideration thereof, the Senior Lender, the Subordinate Lenders and the Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

"Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

"Borrower" means the Person named as such in the first paragraph of this Agreement and any other Person (other than the Senior Lender) who acquires title to the Property after the date of this Agreement.

"Business Day" means any day other than Saturday, Sunday or a day on which the Senior Lender is not open for business.

"Default Notice" means: (a) a copy of the written notice from the Senior Lender to the Borrower stating that a First Mortgage Loan Default has occurred under the First

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Mortgage Loan; or (b) a copy of the written notice from any Subordinate Lender to the Borrower stating that a Subordinate Loan Default has occurred under any of the Subordinate Loans. Each Default Notice shall specify the default upon which such Default Notice is based.

“First Mortgage Loan Default” means the occurrence of an “Event of Default” as that term is defined in the First Mortgage Loan Documents.

“First Mortgage Loan Documents” means the First Mortgage Note, the First Mortgage and all other documents evidencing, securing or otherwise executed and delivered in connection with the First Mortgage Loan.

“Investor Member” shall mean FNBC Leasing Corporation or another affiliate of JPMorgan Capital Corporation as Investor Member under the Operating Agreement.

“Operating Agreement” shall mean that certain Operating Agreement, dated as of October 1, 2006, by and among WHP-IIB Manager, LLC, as member and manager and the Investor Member.

“Payment Obligation” means, with respect to the First Mortgage Loan and each of the Subordinate Loans, principal, interest, if any, and any and all fees, expenses and payment obligations of whatever nature payable in connection therewith (including, but not limited to, administrative fees, protective advances and payments with respect to indemnification obligations).

“Permanent Loan Commitment” means that certain Letter of Offer of Commitment from JPMorgan Chase Bank, N.A. to WHP-IIB, LLC dated June 28, 2006, as amended, with respect to the Permanent Loan (as defined therein).

“Person” means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

“Receiver” means Daniel E. Levin and The Habitat Company LLC, which have and exercise all powers of the CHA respecting the development of new non-elderly public housing, and its court-approved successors and assigns; provided that, in the event that the receivership shall at any time be terminated by the court order, the term “Receiver” shall mean the CHA.

“Regulatory Agreements” shall mean those certain agreements listed on Exhibit B attached hereto.

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“Senior Lender” means the Person named as such in the first paragraph on page 1 of this Agreement, its successors and assigns.

“Subordinate Lender” means individually, the Second Lender, Third Lender and, in its capacity as the holder of the Fourth Subordinate Loan, Permanent Lender, and “Subordinate Lenders” means collectively, the Second Lender, Third Lender, Fourth Lender and, in its capacity as the holder of the Fourth Subordinate Loan, Permanent Lender.

“Subordinate Loan” means individually, the Second Subordinate Loan, Third Subordinate Loan and Fourth Subordinate Loan and “Subordinate Loans” means collectively, the Second Subordinate Loan, Third Subordinate Loan and Fourth Subordinate Loan.

“Subordinate Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, including a failure to refinance the First Mortgage Loan with the Permanent Loan or other permanent financing acceptable to a Subordinate Lender prior to the maturity thereof, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default, and such Subordinate Lender has accelerated maturity of its Subordinate Loan or has taken affirmative action to exercise its rights under its Subordinate Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on its Subordinate Mortgage.

“Subordinate Loan Documents” means the Subordinate Notes, the Subordinate Mortgages, any regulatory agreements in connection therewith, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loans.

“Subordinate Mortgage” means individually the mortgage encumbering the Property as security for any Subordinate Loan, the Subordinate Lender of which will cause to be recorded among the applicable land records immediately before this Agreement; and “Subordinate Mortgages” means collectively each of the mortgages encumbering the Property as security for each of the Subordinate Loans, which the Subordinate Lenders will cause to be recorded among the applicable land records immediately before this Agreement.

“Subordinate Note” means individually each promissory note of even date herewith issued by the Borrower to each Subordinate Lender, or order, to evidence each of the Subordinate Loans; and “Subordinate Notes” means collectively each of the promissory notes of even date herewith issued by the Borrower to each of the Subordinate Lenders, or order, to evidence each of the Subordinate Loans.

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2. Permission to Place Mortgage Lien Against Property.

The Senior Lender agrees, notwithstanding any prohibition against inferior liens on the Property contained in the First Mortgage Loan Documents, and subject to the provisions of this Agreement, to permit the Subordinate Lenders to record the Subordinate Mortgages and other recordable Subordinate Loan Documents against the Property (which with the exception of the Regulatory Agreements listed on Exhibit B hereto are subordinate in all respects to the lien of the First Mortgage and which shall have the priorities indicated in their defined terms) to secure the Borrower's obligation to repay the Subordinate Notes and all other obligations, indebtedness and liabilities of the Borrower to the Subordinate Lenders under and in connection with the Subordinate Loans. Such permission is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lenders in Section 3 is true and correct on the date of this Agreement and on each date on which any of the proceeds of the Subordinate Loans are disbursed to the Borrower. If any of the representations and warranties made by the Borrower and the Subordinate Lenders in Section 3 is not true and correct on each such date, the provisions of the First Mortgage Loan Documents applicable to unpermitted liens on the Property shall apply.

3. Borrower's and Subordinate Lender's Representations and Warranties.

The Borrower and each of the Subordinate Lenders (with respect to its Subordinate Loan only) makes the following representations and warranties to the Senior Lender:

(a) **Subordinate Notes.** Each Subordinate Note shall be deemed to contain the following provision:

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by that certain Mortgage Note of even date herewith made by WHP-IIB, LLC, an Illinois limited liability company ("Borrower") to the order of JPMorgan Chase Bank, N.A., a national banking association ("Senior Lender") in the stated principal amount of \$9,520,000.00 (as amended from time to time, the "First Mortgage Note"), to the extent and in the manner provided in that certain Subordination Agreement of even date herewith between the payee of this Note, certain other subordinate lenders, Borrower and the Senior Lender (the "Subordination Agreement"). The mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of that certain Mortgage of even date herewith granted by Borrower to Senior Lender securing the First Mortgage Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's

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acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

(b) Relationship of Borrower to Subordinate Lenders. No Subordinate Lender is an Affiliate of the Borrower.

(c) Term. The term of each of the Subordinate Notes does not end (i) prior to the term of the First Mortgage Note, or (ii) prior to the proposed term of the Permanent Loan as stated in the Permanent Loan Commitment.

(d) Subordinate Loan Documents. Borrower shall deliver to Senior Lender a copy of each of the executed Subordinate Loan Documents, certified to be true, correct and complete.

(e) First Mortgage Loan Documents. Borrower shall deliver to each Subordinate Lender a copy of each of the executed First Mortgage Loan Documents, certified to be true, correct and complete.

(f) Other Subordinate Loan Documents. Borrower shall deliver to each Subordinate Lender a copy of each of the executed Subordinate Loan Documents pertaining to the other Subordinate Loans, certified to be true, correct and complete.

4. Terms of Subordination.

(a) Agreement to Subordinate. The Senior Lender, the Borrower and each of the Subordinate Lenders agree that: (i) the indebtedness evidenced by each of the Subordinate Loan Documents are and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents, and (ii) the Subordinate Mortgages and the other Subordinate Loan Documents (other than the Regulatory Agreements) are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and the other First Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and the other First Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

(b) Subordination of Subrogation Rights. Each Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinate

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Loan Documents, it acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the lien of the First Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the First Mortgage.

(c) Payments Before First Mortgage Loan Default. Until a Subordinate Lender receives a Default Notice of a First Mortgage Loan Default from the Senior Lender, such Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents; provided, however, that no Subordinate Lender may accept a prepayment, in whole or in part, of its Subordinate Loan without the prior written consent of the Senior Lender.

(d) Payments After First Mortgage Loan Default. The Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a First Mortgage Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by any of the Subordinate Mortgages, but specifically excluding any deposits required to be made by Borrower to accounts maintained by Second Lender pursuant to Sections 5(b) and 5(c) of the Regulatory and Operating Agreement of even date herewith by and between Second Lender and Borrower) without the Senior Lender's prior written consent. Each Subordinate Lender agrees that, after it receives a Default Notice from the Senior Lender with written instructions directing such Subordinate Lender not to accept payments from the Borrower on account of such Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by such Subordinate Mortgage, but specifically excluding any deposits required to be made by Borrower to accounts maintained by Second Lender pursuant to Sections 5(b) and 5(c) of the Regulatory and Operating Agreement of even date herewith by and between Second Lender and Borrower) without the Senior Lender's prior written consent. If any Subordinate Lender receives written notice from the Senior Lender that the First Mortgage Loan Default which gave rise to a Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the Senior Lender, the restrictions on payment to such Subordinate Lender in this Section 4 shall terminate, and the Senior Lender shall have no right to any subsequent payments made to such Subordinate Lender by the Borrower prior to such Subordinate Lender's receipt of a new Default Notice from the Senior Lender in accordance with the provisions of this Section 4(d). Notwithstanding the foregoing, nothing in this Section 4(d) or any other provision of this Agreement shall prevent a Subordinate Lender from directing Greater Illinois Title Company, as escrow agent under that certain Construction Loan Escrow and Disbursement Agreement of even date herewith by and between Senior Lender, Second Lender, Third Lender, One Mortgage Partners Corp., Borrower and Greater Illinois Title Company (the "Construction Escrow Agreement"), to return funds in such Subordinate Lender's subaccount in accordance with the terms of the Construction Escrow Agreement.

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(e) **Remitting Subordinate Loan Payments to Senior Lender.** If, after a Subordinate Lender receives a Default Notice from the Senior Lender in accordance with subsection (d) above, such Subordinate Lender receives any payments under the Subordinate Loan Documents which pursuant to Section 4(d) hereof it is precluded from accepting, such Subordinate Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lender and unless the Senior Lender otherwise notifies such Subordinate Lender in writing, will be promptly remitted, in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal of, interest on and other amounts due under the First Mortgage Loan Documents in accordance with the provisions of the First Mortgage Loan Documents. By executing this Agreement, the Borrower specifically authorizes each Subordinate Lender to endorse and remit any such payments to the Senior Lender, and specifically waives any and all rights to have such payments returned to the Borrower or credited against the applicable Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by any of the Subordinate Lenders and remitted to the Senior Lender under this Section 4, shall not be applied or otherwise credited against such respective Subordinate Loan, nor shall the tender of such payment to the Senior Lender waive any Subordinate Loan Default which may arise from the inability of a Subordinate Lender to retain such payment or apply such payment to its Subordinate Loan.

(f) **Bankruptcy Provisions.** In the event of any proceedings to liquidate, dissolve or wind up the Borrower, or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceedings relative to the Borrower or its property (a "**Bankruptcy Proceeding**"), to the fullest extent permitted by law, the payment and lien priorities set forth in this Agreement shall be respected and enforced in any such Bankruptcy Proceeding, and each Subordinate Lender and Borrower agree not to contest such priorities in any Bankruptcy Proceeding. Without limitation to the foregoing, the First Mortgage Loan shall be preferred in payment over the Subordinate Loans and shall be paid in full before any payment is made upon any of the Subordinate Loans; and any payment or distribution of any kind or character, whether in cash, property or securities, made upon or in respect of any of the Subordinate Loans as a result of any such proceeding, other than payments due under Sections 5(b) and 5(c) of the Regulatory and Operating Agreement by and between Borrower and the Chicago Housing Authority, shall be paid over to the Senior Lender for application in payment of the First Mortgage Loan unless and until the First Mortgage Loan shall have been paid or satisfied in full. Each Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding with respect to the Borrower without (i) sixty (60) days prior written notice to the Senior Lender of such intent, and (ii) payment in full of the outstanding principal balance of and all accrued and unpaid interest under the First Mortgage Loan, together with all other amounts secured by the First Mortgage. Upon the occurrence of any Bankruptcy Proceeding with respect to the Borrower, each Subordinate

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Lender agrees to fully cooperate with Senior Lender in connection with such Bankruptcy Proceeding and to refrain from taking any actions which are inconsistent with the agreements contained in this Agreement. Without limitation to the foregoing, each Subordinate Lender shall (i) consent to and vote in favor of any and all actions taken by Senior Lender in any Bankruptcy Proceeding to permit the commencement or continuation of any foreclosure of the Senior Mortgage; (ii) not propose any plan, or vote to confirm or take any other action in support of any plan or other course of action proposed by Borrower or any other party (other than Senior Lender), which would have the effect of (A) impairing the priority or lien of the Senior Loan, or (B) delaying, preventing, limiting, requiring a reduction in the amount of or impairing Senior Lender's collection of all or any portion of the Senior Loan.

5. Default Under Subordinate Loan Documents.

(a) **Notice of Default and Cure Rights.** Each Subordinate Lender shall deliver to the Senior Lender a Default Notice within five Business Days in each case where a Subordinate Lender has given a Default Notice to the Borrower. Failure of a Subordinate Lender to send a Default Notice to the Senior Lender shall not prevent the exercise of any Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. The Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default within 60 days following the date of such notice; provided, however that each Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents. All amounts paid by the Senior Lender in accordance with the First Mortgage Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by the Senior Lender pursuant to, and shall be secured by the lien of, the First Mortgage.

(b) **Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.** If a Subordinate Loan Default occurs and is continuing, each Subordinate Lender agrees that, without the Senior Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents which would materially adversely affect the rights of the Senior Lender with respect to the Property or the Borrower, including, but not limited to accelerating any Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver, unless and until it has given the Senior Lender at least 60 days' prior written notice; during such 60 day period, however, each Subordinate Lender shall be entitled to exercise and enforce all other rights and remedies available to each Subordinate Lender under the Subordinate Loan Documents and/or under applicable laws, including without limitation, rights to enforce covenants and agreements of the Borrower relating to income, rent, or affordability restrictions contained in any regulatory agreements affecting the Property recorded prior to the First Mortgage.

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(c) **Cross Default.** The Borrower and each Subordinate Lender agree that a Subordinate Loan Default shall constitute a First Mortgage Loan Default under the First Mortgage Loan Documents and the Senior Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents in the same manner as in the case of any other First Mortgage Loan Default. If a Subordinate Lender notifies the Senior Lender in writing that any Subordinate Loan Default of which the Senior Lender has received a Default Notice has been cured or waived, as determined by such Subordinate Lender in its sole discretion, then provided that Senior Lender has not commenced a foreclosure of the Property pursuant to its rights under the First Mortgage Loan Documents, any First Mortgage Loan Default under the First Mortgage Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the First Mortgage Loan shall be reinstated, provided, however, that the Senior Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related charges or payments received by the Senior Lender during such First Mortgage Loan Default.

6. Default Under First Mortgage Loan Documents.

(a) **Notice of Default and Cure Rights.** The Senior Lender shall deliver to each Subordinate Lender a Default Notice within five Business Days in each case where the Senior Lender has given a Default Notice to the Borrower. Failure of the Senior Lender to send a Default Notice to each Subordinate Lender shall not prevent the exercise of the Senior Lender's rights and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Each Subordinate Lender shall have the right, but not the obligation, to cure any such First Mortgage Loan Default within 60 days following the date of such notice; provided, however, that the Senior Lender shall be entitled during such 60-day period to continue to pursue its remedies under the First Mortgage Loan Documents. Each Subordinate Lender may have up to 90 days from the date of the Default Notice to cure a non-monetary default if during such 90-day period such Subordinate Lender keeps current all payments required by the First Mortgage Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 90-day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by any Subordinate Lender to the Senior Lender to cure a First Mortgage Loan Default shall be deemed to have been advanced by such Subordinate Lender pursuant to, and shall be secured by the lien of, such Subordinate Lender's Subordinate Mortgage.

(b) **Cross Default.** Each Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a First Mortgage Loan Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under such Subordinate Lender's Subordinate Loan Documents until either

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(i) the Senior Lender has accelerated the maturity of the First Mortgage Loan, or (ii) the Senior Lender has taken affirmative action to exercise its rights under the First Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on the First Mortgage. At any time after a First Mortgage Loan Default is determined to constitute a default under any of the Subordinate Loan Documents, such Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any First Mortgage Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from the Senior Lender to the Subordinate Lenders, any default under any of the Subordinate Loan Documents arising from such First Mortgage Loan Default shall be deemed cured and each such Subordinate Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred, provided, however, that the Subordinate Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related damages or payments received by the Subordinate Lender during such default under the Subordinate Loan Documents. The Senior Lender hereby consents to the increase in the indebtedness under the Subordinate Loan Documents attributable to interest that accrues but is unpaid.

7. Conflict.

The Borrower, the Senior Lender and the Subordinate Lenders each agree that, in the event of any conflict or inconsistency between the terms of the First Mortgage Loan Documents, the Subordinate Loan Documents, the Construction Escrow Agreement and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of the Senior Lender and the Subordinate Lenders in the Property; (b) the timing of the exercise of remedies by the Senior Lender and the Subordinate Lenders under the First Mortgage and the Subordinate Mortgages, respectively; and (c) solely as between the Senior Lender and the Subordinate Lenders, the notice requirements, cure rights, and the other rights and obligations which the Senior Lender and the Subordinate Lenders have agreed to as expressly provided in this Agreement. Other than with respect to the issues specifically addressed in subsection (a), (b) and (c) of the preceding sentence, in the event of a conflict between this Agreement and any of the Regulatory Agreements, the applicable Regulatory Agreement shall control. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any First Mortgage Loan Default or Subordinate Loan Defaults, as the case may be; give the Borrower the right to notice of any First Mortgage Loan Default or Subordinate Loan Defaults, as the case may be other than that, if any, provided, respectively under the First Mortgage Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or any of the Subordinate Lenders.

8. Rights and Obligations of the Subordinate Lenders Under the Subordinate Loan Documents and of the Senior Lender under the First Mortgage Loan Documents.

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Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) Protection of Security Interest. The Subordinate Lenders shall not, without the prior written consent of the Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that a Subordinate Lender shall have the right to advance funds to cure First Mortgage Loan Defaults pursuant to Section 6(a) above and advance funds pursuant to such Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums; constructing, renovating, repairing, furnishing, fixturing or equipping the Property; making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Loan Documents.

(b) Condemnation or Casualty. In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when the First Mortgage remains a lien on the Property the following provisions shall apply:

(1) Each Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise in connection with the Subordinate Loans) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the Senior Lender's rights under the First Mortgage Loan Documents with respect thereto, and each Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the Subordinate Lenders to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the First Mortgage Loan) in the manner determined by the Senior Lender in accordance with the provisions of the First Mortgage. If the Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan shall be paid to, and may be applied by, each Subordinate Lender in accordance with relative priorities of the Subordinate Loan Documents. The Senior Lender agrees to consult with each Subordinate Lender in determining the application of Casualty proceeds, provided

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further however that in the event of any disagreement between the Senior Lender and the Subordinate Lenders over the application of Casualty proceeds, the decision of the Senior Lender, in its reasonable discretion, shall prevail.

The parties hereto intend that the provisions of this Section 8(b) are intended to comply with the terms of that certain Mixed Finance Amendment to Consolidated Annual Contributions Contract relating to the Property, by and among Second Lender, the Receiver, and the United States Department of Housing and Urban Development ("HUD") to the extent that Senior Lender will apply proceeds to restoration if Senior Lender determines that restoration is feasible. The parties hereto acknowledge and agree that, in determining whether restoration is feasible and/or the actions of the Senior Lender are reasonable, the Senior Lender shall apply the feasibility standards and conditions set forth in Sections 1.3 and 1.6 of the First Mortgage.

(c) **Letter of Credit.** In lieu of payment and performance bonds, the Borrower has caused to be delivered to Senior Lender an unconditional letter of credit naming Senior Lender as sole beneficiary in a stated amount at least equal to fifteen percent (15%) of the stipulated sum or guaranteed maximum price set forth in the Construction Contract (the "**Letter of Credit**") issued in connection with the construction of the housing units and other improvements to be constructed on the Property (the "**Project**"). The Senior Lender, the Subordinate Lenders and Borrower each acknowledge and agree that (a) the First Mortgage Loan Documents shall control the exercise of rights under or arising out of the Letter of Credit and application of any and all proceeds of the Letter of Credit (the "**Letter of Credit Proceeds**"), (b) Senior Lender shall deposit any Letter of Credit Proceeds to the Escrow Account (as defined in the Construction Escrow Agreement) for payment of Direct Construction Costs or Other Project Costs (as each is defined in the First Mortgage Loan Documents) or other costs necessary to complete the Project in accordance with the disbursement procedures set forth in the Construction Escrow Agreement, and (c) if the First Mortgage Loan has been repaid in full, and the Letter of Credit has not expired by its terms, the Senior Lender shall request a transfer of the Letter of Credit to the Second Lender. Notwithstanding the foregoing, if a Subordinate Lender, upon its own independent investigation, determines that a default has occurred under the Construction Contract and that the Letter of Credit should be drawn in accordance with the Subordinate Loan Documents, such Subordinate Lender shall deliver to Senior Lender and each other Subordinate Lender a notice specifying the nature of such default and requesting Senior Lender to, in its discretion, either (i) draw on the Letter of Credit and deposit the Letter of Credit Proceeds into the Escrow Account, or (ii) request a transfer of the Letter of Credit to such Subordinate Lender, so that such Subordinate Lender may draw on the Letter of Credit and thereafter deposit the Letter of Credit Proceeds into the Escrow Account. The Senior Lender agrees to consult with the requesting Subordinate Lender regarding such notice and after its own independent investigation shall, in its sole and reasonable discretion, either draw on the Letter of Credit or transfer the Letter of Credit, as so requested. If the Senior Lender receives a

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notice from more than one Subordinate Lender and the Senior Lender decides to transfer the Letter of Credit, such transfer shall be made to the Subordinate Lender holding the superior lien position. Upon the transfer of the Letter of Credit, the Subordinate Lender agrees to immediately draw on the Letter of Credit and deposit the Letter of Credit Proceeds into the Escrow Account, to be disbursed in accordance with the terms of the Construction Escrow Agreement. The transfer of the Letter of Credit to a Subordinate Lender by the Senior Lender shall be made without recourse, representation or warranty of any kind, and such transfer shall not be deemed to be any acceptance, representation or warranty with respect to such Subordinate Lender's decision to draw on the Letter of Credit. Any draw on the Letter of Credit whether made by the Senior Lender or a Subordinate Lender hereunder (a "Drawing Lender") shall be based on such Drawing Lender's own independent investigation and shall be the sole credit decision of such Drawing Lender and no other lender hereunder shall have any liability with respect thereto. The provisions of this Section 8(c) are intended solely for the benefit of the lenders hereunder and the Borrower shall not be entitled to rely on any such provision in a claim or as a defense against any lender hereunder. The Borrower hereby agrees to indemnify any Drawing Lender from and against any and all liabilities, obligations, losses, penalties, actions, judgments, suits, assets or expenses of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Drawing Lender in any way arising out of any action taken in connection with a draw on the Letter of Credit.

(d) No Modification of Subordinate Loan Documents. The Borrower and each of the Subordinate Lenders (with respect to its Subordinate Loan) each agree that:

(i) so long as the Permanent Loan Commitment shall remain in effect, it shall not modify or amend its Subordinate Loan Documents without the prior written consent of the Permanent Lender (which consent shall not be unreasonably withheld, conditioned or delayed); and

(ii) until the principal of, interest on and all other amounts payable under the First Mortgage Loan Documents have been paid in full, it will not, without the prior written consent of the Senior Lender in each instance, increase the amount of its Subordinate Loan, increase the required payments due under its Subordinate Loan, decrease the term of its Subordinate Loan, increase the interest rate on its Subordinate Loan (other than through institution of default rate interest in accordance with the terms and conditions of the applicable Subordinate Loan Documents), or otherwise amend its Subordinate Loan terms in a manner that creates an adverse effect upon the Senior Lender under the First Mortgage Loan Documents.

Any unauthorized amendment of any of the Subordinate Loan Documents or assignment of a Subordinate Lender's interest in a Subordinate Loan without the Permanent Lender's

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and/or Senior Lender's consent, as required above, shall be void ab initio and of no effect whatsoever.

9. Modification or Refinancing of First Mortgage Loan.

(a) **Modification of the First Mortgage Loan.** Each Subordinate Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the First Mortgage Loan Documents, including any provision requiring the payment of money; provided, however, that without the prior written consent of the Subordinate Lenders, Senior Lender shall not amend the First Mortgage Documents to increase the amount of the First Mortgage Loan, increase the required payments due under the First Mortgage Loan, decrease the term of the First Mortgage Loan, or increase the interest rate on the First Mortgage Loan; provided further, however, that the foregoing restrictions shall not affect the right of Senior Lender to exercise any rights or remedies provided in the First Mortgage Loan Documents as of the date hereof, including but not limited to acceleration of the First Mortgage Loan and/or the charging of default rate interest upon the occurrence of a First Mortgage Loan Default, or the making of Protective Advances. As used herein, "Protective Advances" shall mean any advances necessary in Senior Lender's reasonable judgment to protect the security for the First Mortgage Loan, such as, by way of example and not limitation, advances to pay real estate taxes, insurance premiums or necessary repair, maintenance or construction costs. The foregoing shall not be construed as a consent by any Subordinate Lender of any modification of the First Mortgage Loan Documents which would otherwise require the consent of HUD under the Mixed Finance Amendment for the Property, and the Subordinate Lender's consent to any such modifications shall be subject to HUD's approval, as appropriate.

(b) **Refinancing of the First Mortgage Loan.** Each Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the sole purpose of refinancing the outstanding principal amount of, and accrued interest and other sums then due with respect to, the First Mortgage Loan (including but not limited to the Permanent Loan, and including reasonable and necessary costs and fees associated with the closing and/or the refinancing), provided that (i) the Borrower does not receive any proceeds from the refinancing; (ii) the First Mortgage Loan, under the terms of such refinancing, shall fully amortize on or before the maturity date of the Second Subordinate Loan and the Third Subordinate Loan, whichever shall first occur, (iii) the Borrower remains obligated to operate and maintain the Property in accordance with the terms and conditions of the Regulatory Agreements, and (iv) such loan is evidenced by loan documents acceptable to Second Lender or, in the case of the Permanent Loan, is evidenced by the Approved Permanent Loan Documents (as defined below); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the First Mortgage Loan, the First Mortgage Note, the First Mortgage, the First Mortgage Loan Documents and Senior Lender shall mean,

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respectively, the refinance loan, the refinance note, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

(c) **Permanent Loan.** In connection with the closing of the First Mortgage Loan and each of the Subordinate Loans, drafts of each of the documents to be executed to evidence and/or secure the Permanent Loan (the "**Permanent Loan Documents**") have been submitted to HUD for review and approval. The draft Permanent Loan Documents, as approved by HUD, are hereinafter referred to as the "**Approved Permanent Loan Documents**". Borrower and Subordinate Lenders have, with the advice of counsel, reviewed and hereby approve the Approved Permanent Loan Documents, and agree that the Approved Permanent Loan Documents, with Minor Changes (as hereinafter defined), may be executed and delivered by Borrower to consummate the closing of the Permanent Loan, along with any supporting legal opinions required by the Subordinate Lenders. As used herein, "**Minor Changes**" shall mean (a) the completion of blanks with dates and other information contained in the Approved Permanent Loan Documents and (b) minor changes that are ministerial in nature, including and not by way of limitation, change made uniformly by Freddie Mac and Fannie Mae to their respective form documents that are the templates for the Approved Permanent Loan Documents, none of which substantively change the rights and obligations of the parties thereunder. Each Subordinate Lender agrees to subordinate the lien of its Subordinate Loan Documents to the lien of the Approved Permanent Loan Documents at the time of closing of the Permanent Loan and, upon receipt of the executed Approved Permanent Loan Documents and supporting legal opinions, to execute the Subordination Agreement included in the Approved Permanent Loan Documents, with any Minor Changes required by Permanent Lender, and/or such other changes as have been approved by Borrower and each of the Subordinate Lenders, to effect such subordination.

10. Default by any Subordinate Lender or Senior Lender.

If any one of the Subordinate Lenders or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lenders shall have the right to all available legal and equitable relief to the extent necessary to compensate and restore the non-defaulting lender to the position it would have been in had the defaulting lender performed or observed such terms, covenants or conditions.

11. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "**notices**" and referred to singly as a "**notice**") which the Senior Lender or the Subordinate Lenders are required or permitted to give to any other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar

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national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier prior to the courier's deadline for such delivery); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two Business Days after mailing in the United States), addressed to the respective parties as follows:

To Senior Lender: JPMorgan Chase Bank, N.A.
c/o Community Development Real Estate
131 South Dearborn Street
Chicago, Illinois 60603
Attention: Paul C. Vlamis, Vice President

With copy to: JPMorgan Chase Bank, N.A.
Legal Department
270 Park Avenue, 39th Floor
New York, New York 10017
Attention: Michael R. Zients, Vice President
and Assistant General Counsel

To Borrower: WHP-IIB, LLC
c/o Brinshore Development, L.L.C.
666 Dundee Road, Suite 1102
Northbrook, Illinois 60062
Attention: Richard Sciortino, President

With copies to: The Michaels Development Company, Inc.
1 East Stow Road
Marlton, New Jersey 08053
Attention: President

and: c/o The Michaels Development Company, Inc.
322 South Green Street, Suite 212
Chicago, Illinois 60607
Attention: Whitney Weller

and Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, Illinois 60607
Attention: Bennett P. Applegate, Esq.

and Levine, Staller, Sklar, Chan, Brown & Donnelly, P.A.

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3030 Atlantic Avenue
 Atlantic City, New Jersey 08401
 Attention: Arthur Brown, Esq.

and
 FNBC Leasing Corporation
 21 South Clark
 12th Floor
 Mail Code IL1-0502
 Chicago, Illinois 60603
 Attention: Mark J. McCann

To Second Lender: Chicago Housing Authority
 626 West Jackson Blvd.
 Chicago, Illinois 60661
 Attention: Chief Executive Officer

With copies to: Chicago Housing Authority
 200 West Adams Street, Suite 2100
 Chicago, Illinois 60606
 Attention: General Counsel

and: Daniel E. Levin and The Habitat Company LLC
 350 West Hubbard Street
 Chicago, Illinois 60610
 Attn: Managing Member

and: The Habitat Company LLC
 350 West Hubbard Street
 Chicago, IL 60610
 Attn: General Counsel

and: Reno & Cavanaugh PLLC
 1250 Eye Street, NW
 Suite 900
 Washington, DC 20005
 Attn: Megan Glasheen, Esq.

To Third Lender: City of Chicago
 Department of Housing
 33 North LaSalle Street, 2nd Floor
 Chicago, Illinois 60602
 Attention: Commissioner

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With a copy to: City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

Any party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. General.

(a) **Assignment/Successors.** This Agreement shall be binding upon the Borrower, the Senior Lender and the Subordinate Lenders and shall inure to the benefit of the respective legal successors and assigns of the Senior Lender and the Subordinate Lenders.

(b) **No Partnership or Joint Venture.** The Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute the Senior Lender as a joint venturer or partner of any of the Subordinate Lenders. No party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) **Senior Lender's and Subordinate Lenders' Consent.** Wherever the Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever a Subordinate Lenders' consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by a Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) **Further Assurances.** Each Subordinate Lender, the Senior Lender and the Borrower agree, at the Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that a Subordinate Mortgage is subordinate to the lien, covenants and conditions of the First Mortgage, or to further evidence the intent of this Agreement.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the law of the State of Illinois.

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(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the First Mortgage Loan Documents (provided, however, that this Agreement shall, as provided in Section 9 hereof, remain in full force and effect if the First Mortgage Loan shall be refinanced in accordance with the provisions of said Section 9; provided further, that in the event that, in connection with any refinancing of the First Mortgage Loan, a new subordination agreement satisfactory to the new senior lender shall be executed and delivered by Borrower and the Subordinate Lenders, this Agreement shall be deemed terminated as of the execution and delivery of such agreement); (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which a Subordinate Lender is obligated to remit to the Senior Lender pursuant to Section 4 hereof; (iii) the acquisition by the Senior Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of the First Mortgage; or (iv) the acquisition by a Subordinate Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, a Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

(j) **Limitation on Liability.** There shall be no personal liability or recourse against Second Lender or Third Lender, or any of the elected and appointed officials, commissioners, members, officers, board members, agents or employees of the Second Lender or the Third Lender (collectively, "**Agents**"), with respect to any obligation covenant, warranty or agreement of Second Lender or Third Lender contained in this Agreement. Notwithstanding the foregoing, (i) Second Lender and Third Lender, but not their Agents or the Receiver, shall have personal liability for any amounts received by such lender from Borrower or from proceeds of the Property which, pursuant to the terms of this Agreement, should not have been received by such lender, and (ii) the foregoing limitation of liability shall not be deemed to affect or limit in any manner any action for non-monetary relief against Second Lender or Third Lender.

(k) **Receiver.** All parties hereto acknowledge that certain Receiver Consent and Agreement (the "**Receiver Agreement**") dated as of October 1, 2006, by and between the Second Lender and the Receiver and that, pursuant to such Receiver Agreement, certain actions by Second Lender are subject to Receiver consent or

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direction. Nothing in this Section or the Receiver Agreement imposes any restrictions on any party hereto other than Second Lender nor otherwise affects the ability of Senior Lender to enforce the terms of the First Mortgage Loan Documents or this Agreement, subject to the limitations otherwise set forth in this Agreement. Receiver joins in the execution of this Agreement to acknowledge its consent and agreement to the terms hereof and the provisions of this Agreement as they affect the Second Subordinate Loan or the development of the Property. Second Lender and the Receiver agree to provide written notice to the parties hereto of the expiration of the Receiver Approval Period as defined in the Receiver Agreement.

[DOCUMENT EXECUTION OCCURS ON THE FOLLOWING PAGES]

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BORROWER:


WHP-IIB, LLC

By: WHP-IIB Manager, LLC
an Illinois limited liability company
Its manager

By: Brinshore Holding, LLC
an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.
an Illinois limited liability company
Its sole member

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

By: 
Richard Sciortino, President

By: Michaels Chicago Holding Company, LLC
an Illinois limited liability company, a member

By: _____
John O'Donnell, Vice President

Property of Cook County Clerk's Office

[Signature Page to Subordination Agreement
(Construction Period)]

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BORROWER:

WHP-IIB, LLC

By: WHP-IIB Manager, LLC
an Illinois limited liability company
Its manager

By: Brinshore Holding, LLC
an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.
an Illinois limited liability company
Its sole member

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

By: _____
Richard Sciortino, President

By: Michaels Chicago Holding Company, LLC
an Illinois limited liability company, a member

By: _____
John O'Donnell, Vice President

Property of Cook County Clerk's Office

[Signature Page to Subordination Agreement
(Construction Period)]

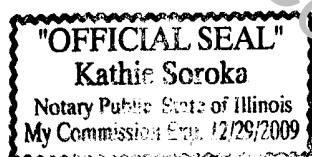
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STATE OF ILLINOIS)
) ss
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Richard Sciortino, personally known to me to be the president of RJS Real Estate Services, Inc., an Illinois corporation, a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of Brinshore Holding, LLC, an Illinois limited liability company, a member of WHP-IIB Manager, LLC, an Illinois limited liability company (the "Manager"), the manager of WHP-IIB, LLC, an Illinois limited liability company, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of the Manager as the free and voluntary act of such person, and as the free and voluntary act and deed of the Manager and WHP-IIB, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 26 day of October, 2006.

(SEAL)



Kathie Soroka

 Notary Public

[Signature Page to Subordination Agreement
 (Construction Period)]

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STATE OF New Jersey
COUNTY OF Burlington) SS

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that John O'Donnell, personally known to me to be the Vice President of Michaels Chicago Holding Company, LLC, an Illinois limited liability company, a member of WHP-IIB Manager, LLC, an Illinois limited liability company (the "Manager"), the managing member of WHP-IIB, LLC, an Illinois limited liability company, 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 severally acknowledged that as such Officer, he signed and delivered the said instrument, pursuant to authority given by the members of the Manager as the free and voluntary act of such person, and as the free and voluntary act and deed of the Manager and WHP-IIB, LLC, for the uses and purposes therein set forth.

Given under my hand and official seal this 26th day of October, 2006.

Catherine A. Harding
Notary Public

(SEAL)

CATHERINE ANN HARDING
NOTARY PUBLIC COUNTY OF COOK
Commission Expires 8/31/2011

[Signature Page to Subordination Agreement
(Construction Period)]

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Exhibit A
LEGAL DESCRIPTION
Westhaven Park Phase IIB

PARCEL 1:

LEASEHOLD ESTATE CREATED BY GROUND LEASE DATED AS OF OCTOBER 1, 2006 BETWEEN CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LANDLORD, AND WHP-IIB, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, TENANT, RECORDED 10 31 06, 2006 AS DOCUMENT NUMBER 0630442195, DEMISING AND LEASING FOR A TERM OF 99 YEARS EXPIRING ON SEPTEMBER 30, 2105, THE FOLLOWING DESCRIBED PARCEL, TO WIT:

LOTS 1, 14 AND 17 IN BLOCK 1 AND LOTS 1, 5, 6, 8, 10 AND OUT LOT 1 IN BLOCK 2 OF THE WESTHAVEN PARK RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 8, 2006, AS DOCUMENT NUMBER 0625145094, IN COOK COUNTY, ILLINOIS, BEING A RESUBDIVISION AND CONSOLIDATION IN THOMAS' SUBDIVISION OF THE WEST 152 FEET OF BLOCK 51 IN CANAL TRUSTEES' SUBDIVISION OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND IN ASSESSOR'S DIVISION OF 146.98 FEET EAST OF AND ADJOINING THE WEST 152 FEET OF SAID BLOCK 51, AND IN THE SUBDIVISION BY TAYLOR OF THE EAST ½ OF SAID BLOCK 51, INCLUDING ALL OF THE VACATED EAST-WEST AND NORTH-SOUTH ALLEYS AND VACATED WEST MAYPOLE AVENUE IN SAID BLOCK 51, TOGETHER WITH THAT PART OF THE WEST ½ OF THE SOUTHEAST ¼ OF SECTION 7, AFORESAID, LYING EAST OF THE EAST LINE OF ASSESSOR'S DIVISION AFORESAID, AND LYING WEST OF THE WEST LINE OF THE SUBDIVISION BY TAYLOR AFORESAID, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

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Having the following Parcel Identification Numbers (PINs):

17-07-417-032	17-07-422-007	17-07-422-021
17-07-417-033	17-07-422-008	17-07-422-022
17-07-417-036	17-07-422-009	17-07-422-023
17-07-417-037	17-07-422-010	17-07-422-024
17-07-417-038	17-07-422-011	17-07-422-025
17-07-417-039	17-07-422-012	17-07-422-026
	17-07-422-013	17-07-422-027
17-07-422-001	17-07-422-014	17-07-422-028
17-07-422-002	17-07-422-015	
17-07-422-003	17-07-422-016	17-07-422-038
17-07-422-004		
17-07-422-005	17-07-422-018	
17-07-422-006		

Formerly known as the following addresses, all in Chicago, IL:

140 N Wood
 1832 W Washington
 1836 W Washington
 1850 W Washington
 141 N Wolcott
 1847 W Lake

Now currently known as the following addresses, all in Chicago, IL:

110 N Wood	1807 W Maypole	1807 W Lake
122 N Wood	1809 W Maypole	1809 W Lake
156 N Wood	1811 W Maypole	1811 W Lake
	1813 W Maypole	1813 W Lake
1804 W Washington	1817 W Maypole	1847 W Lake
1820 W Washington	1819 W Maypole	1849 W Lake
1822 W Washington	1820 W Maypole	1851 W Lake
1824 W Washington	1826 W Maypole	1853 W Lake
1826 W Washington	1828 W Maypole	
1830 W Washington	1830 W Maypole	
1832 W Washington	1832 W Maypole	
1834 W Washington	1836 W Maypole	
1836 W Washington	1837 W Maypole	
1854 W Washington	1838 W Maypole	
	1839 W Maypole	
103 N Wolcott	1840 W Maypole	
121 N Wolcott	1841 W Maypole	
155 N Wolcott	1845 W Maypole	
	1847 W Maypole	
	1849 W Maypole	
	1851 W Maypole	

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EXHIBIT B

REGULATORY AGREEMENTS

All documents dated as of October 1, 2006 unless otherwise noted.

1. Declaration of Restrictive Covenants by Borrower and the Chicago Housing Authority for the benefit of HUD.
2. Right of First Refusal Agreement by and between Borrower, WHP-IIB Manager, LLC and the Chicago Housing Authority.
3. Regulatory and Operating Agreement by and between Borrower and the Chicago Housing Authority.
4. Regulatory Agreement by and between Borrower and the City of Chicago.
5. Low Income Housing Tax Credit Extended Use Agreement by and between Borrower and the Illinois Housing Development Authority.