



0630442196

This document prepared by  
and after recording return to:

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Cook County Recorder of Deeds  
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## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is entered into as of the 1st day of October, 2006, by One Mortgage Partners Corp., a Vermont Corporation ("**Lender**"), whose address is 19 South Dearborn, 18th Floor, Mail Code IL1-0357, Chicago, Illinois 60670, Attn: Hamed Hashmy.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE LIEN OF A MORTGAGE ON THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

### RECITALS:

WHEREAS, WHP-IIB, LLC, an Illinois limited liability company ("**Borrower**") has executed and delivered that certain Junior Mortgage, Assignment of Rents, and Security Agreement in favor of Lender dated as of October 1, 2006, to be recorded in the Recorder's Office of Cook County, Illinois ("**Recorder's Office**") (the "**FHLB Mortgage**") to secure a loan by Lender to Borrower through the Federal Home Loan Bank Affordable Housing Program in the principal amount of Five Hundred Thirty-three Thousand Five Hundred Dollars (\$533,500.00) (the "**FHLB Loan**") and evidenced by that certain Promissory Note (the "**FHLB Note**") executed by Borrower to the order of Lender and dated as of the date of the FHLB Mortgage, pertaining to certain premises in Cook County, Illinois, described on the attached Exhibit A (the "**Premises**");

WHEREAS, in connection with and as further security for the FHLB Loan, Borrower and Lender also executed that certain Retention/Repayment Agreement for Rental Projects Using Low Income Housing Tax Credits ("**Recapture Agreement**") dated as of the date of the Bank Mortgage and to be recorded with the Recorder's Office at even date therewith (collectively, the FHLB Mortgage, FHLB Note, and FHLB Recapture Agreement are referred to as the "**FHLB Loan Documents**");

WHEREAS, Borrower has also executed and delivered that certain Mortgage to and in favor of JPMorgan Chase Bank, N.A. ("**Chase**") with respect to the Premises dated as of the date hereof and to be recorded in the Recorder's Office (the "**Chase Mortgage**" or the "**First Mortgage**") to secure a loan by Chase to Borrower in the maximum principal amount of Nine Million Five Hundred Twenty Thousand Dollars (\$9,520,000.00) (the "**Chase Loan**" or the "**First Mortgage Loan**"), as evidenced by that certain Mortgage Note (Construction Loan) ("**Chase Note**" or the "**First Mortgage Note**") executed by Borrower to the order of Chase and dated as of the date hereof. (The Chase Note, Chase Mortgage and any other documents

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evidencing and securing the Chase Loan, and any permanent refinancing thereof are herein collectively referred to as the **"Chase Loan Documents"** or the **"First Mortgage Loan Documents"**); and

WHEREAS, Borrower has also executed and delivered that certain Subordinate Mortgage, Security Agreement and Financing Statement to and in favor of Chicago Housing Authority (**"CHA"**) dated as of the date hereof with respect to the Premises and to be recorded in the Recorder's Office (the **"CHA Mortgage"**) securing repayment of the loan made by CHA to Borrower in the amount of Ten Million Two Hundred Thirty-six Thousand Two Hundred One Dollars (\$10,236,201.00) (the **"CHA Loan"** or the **"Second Subordinate Loan"**), as evidenced by that certain Promissory Note (the **"CHA Note"**) executed by Borrower to the order of CHA and dated as of the date hereof (the CHA Mortgage, CHA Note and any other documents evidencing or securing the CHA Loan, including without limitation, the Assignment of Rents and Leases given by Borrower in favor of CHA are collectively referred to as the **"CHA Loan Documents"**); and

WHEREAS, Borrower has also executed and delivered that certain Junior Leasehold Mortgage Security Agreement and Financing Statement to and in favor of The City of Chicago (the **"City"**) dated the date hereof with respect to the Premises and to be recorded in the Recorder's Office (the **"City Mortgage"**) to secure a loan by the City to Borrower in the principal amount of Seven Million Two Hundred Fifty Thousand Dollars (\$7,250,000.00) (the **"City Loan"** or the **"Third Subordinate Loan"**), as evidenced by that certain Note (the **"City Note"**) executed by Borrower to the order of the City and dated the date hereof (the City Mortgage, City Note and any other documents evidencing and securing the City Loan, including without limitation, the Assignment of Rents and Leases given by Borrower in favor of the City are collectively referred to as the **"City Loan Documents"**); and

WHEREAS, Chase, CHA and the City are collectively referred to herein as the **"Senior Lenders"**); and

WHEREAS, the Chase Mortgage, the CHA Mortgage and the City Mortgage are collectively referred to herein as the **"Senior Mortgages"**); and

WHEREAS, the Chase Loan Documents, the CHA Loan Documents and the City Loan Documents are collectively referred to herein as the **"Senior Loan Documents"**); and

WHEREAS, the agreement of the priorities among the Chase Mortgage, the CHA Mortgage and the City Mortgage have been set forth in a Subordination Agreement (Construction Period) dated of even date herewith among the Senior Lenders and Borrower; and

WHEREAS, Lender wishes to reflect the subordination of the FHLB Loan Documents to the Senior Loan Documents.

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 hereby acknowledged, it is agreed as follows:

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1. The foregoing recitals are incorporated in this Agreement.
2. Lender agrees that: (a) the FHLB Loan and all indebtedness evidenced by each of the FHLB Loan Documents is hereby subordinated to, and shall be subordinate in right of payment to, the prior payment in full of the indebtedness evidenced by each of the Senior Loan Documents and to any and all modifications, amendments, extensions, renewals, restatements, consolidations, replacements, increases, and refinancing thereof; and (b) the FHLB Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of each of the Senior Mortgages and the other Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to each of the Senior Mortgages and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of protecting or further securing the lien of any of the Senior Mortgages and other Senior Loan Documents, curing defaults by Borrower under any of the Senior Loan Documents or for any other purpose expressly permitted by any of the Senior Mortgages and the other Senior Loan Documents) and to any and all modifications, amendments, extensions, renewals, restatements, consolidations, replacements, increases and refinancing of the Senior Loan Documents. Without limiting the generality of the foregoing:
  - A. Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the FHLB 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 any Senior Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Mortgages,
  - B. In connection with the closing of the Senior Loans, drafts of each of the documents (the "**Permanent Loan Documents**") to be executed to evidence and/or secure the Permanent Loan described in that certain Letter of Offer of Commitment from JPMorgan Chase Bank, N.A. to WHP-IIB, LLC dated June 28, 2006, as amended, 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**". Lender has, with the advice of counsel, reviewed and hereby approves the Approved Permanent Loan Documents, and agrees 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. 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. 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, to execute a Subordination Agreement substantially similar to this Agreement, to effect such subordination; and

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C. 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 Chase 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) Borrower does not receive any proceeds from the refinancing; (ii) the loan that refinances the Chase 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) 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 CHA or, in the case of the Permanent Loan, is evidenced by the Approved Permanent Loan Documents; 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 in this Agreement to the First Mortgage Loan, the First Mortgage Note, the First Mortgage, and the First Mortgage Loan Documents shall mean, 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.

2. Lender agrees that, after it receives a Default Notice from any Senior Lender with written instructions directing Lender not to accept payments from Borrower on account of the FHLB Loan, it will not accept any payments under or pursuant to the FHLB 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 the FHLB Mortgage) without the prior written consent of such Senior Lender.

3. If, after Lender receives a Default Notice from any Senior Lender, Lender receives any payments under the FHLB Loan Documents which pursuant to Section 2 hereof it is precluded from accepting, Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lenders (in the order of priority of their respective Mortgages) and, unless the Senior Lenders otherwise notify Lender in writing, shall be promptly remitted, in kind to the Senior Lender with the then highest lien priority (the "**First Senior Lender**"), properly endorsed to such First Senior Lender, to be applied to the principal of, interest on and other amounts due under such Senior Lender's Senior Loan Documents in accordance with the provisions of such Senior Loan Documents.

4. In the event of any proceedings to liquidate, dissolve or wind up Borrower, or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceedings relative to 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 Lender agrees not to contest such priorities in any Bankruptcy Proceeding. 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 Borrower without (i) sixty (60) days prior written notice to each Senior Lender of such intent, and (ii) payment in full of the outstanding principal

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balance of and all accrued and unpaid interest under each Senior Loan, together with all other amounts secured by the Senior Mortgages. Upon the occurrence of any Bankruptcy Proceeding with respect to Borrower, Lender agrees to fully cooperate with the Senior Lenders 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, Lender shall (i) consent to and vote in favor of any and all actions taken by the First Senior Lender in any Bankruptcy Proceeding to permit the commencement or continuation of any foreclosure of its 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 the First Senior Lender), which would have the effect of (A) impairing the priority or lien of the loan of a Senior Lender, or (B) delaying, preventing, limiting, requiring a reduction in the amount of or impairing any Senior Lender's collection of all or any portion of its Senior Loan.

5. 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.** Lender shall not, without the prior written consent of each 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 Lender shall have the right to advance funds to cure defaults by 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 a Senior Mortgage remains a lien on the Property, the following provisions shall apply:

(1) Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise in connection with the Subordinate Loan) 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 First Senior Lender's rights under its Senior Loan Documents with respect thereto, and Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the First Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of Lender 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 loan of the First Senior Lender) in the manner determined by the First Senior Lender in accordance with the provisions of its Senior Mortgage. If the First Senior Lender elects to apply such proceeds to



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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 Senior Lender in accordance with relative priorities of their respective Senior Loan Documents.

6. This Agreement shall be binding upon Lender and its successors and assigns, and shall inure to the benefit of the Senior Lenders and their respective successors and assigns.

7. 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.

*(Signature Page Follows)*

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IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

ONE MORTGAGE PARTNERS CORP.  
a Vermont Corporation

By: *[Signature]*  
Hamed Hashmy, Assistant Vice President

STATE OF ILLINOIS )

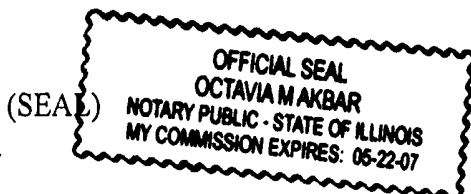
ss:

COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Hamed Hashmy, Assistant Vice President of One Mortgage Partners Corp., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of said company, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on *October 30*, 2006,

*Octavia M. Akbar*  
Notary Public



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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 0-31-06, 2006 AS DOCUMENT NUMBER 0630442196, 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	