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This document prepared by
and after recording, return
to: Arthur Murphy
Illinois Housing Development
Authority
401 N. Michigan Ave. Ste 700
Chicago, Illinois 60611
Property Identification Nos.:
See Exhibit A
Property Address:
See Exhibit A

Doc#: 1100344113 Fee: \$48.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/03/2011 03:11 PM Pg: 1 of 7

SEC1602-10376

SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 22nd day of December, 2010, by **KASS MANAGEMENT SERVICES, INC.**, an Illinois corporation ("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 ("Authority").

RECITALS:

WHEREAS, the Authority has made a grant ("Financing") to CDS Cicero NFP, LLC, an Illinois limited liability company ("Owner"), a grant from the 1602 Program in the maximum amount of Three Million Nine Hundred Forty-Two Thousand Six Hundred Twenty and No/100 Dollars (\$3,942,620.00) (the "1602 Grant") for the acquisition, rehabilitation and permanent financing of a multifamily housing development known as Cicero Gardens f/k/a Courts of Cicero (the "Development") to be located on the real estate described on **Exhibit A** attached hereto and made a part hereof. The Financing is secured by that certain Junior Mortgage, Security Agreement and Assignment of Rents and Leases dated as of the date hereof given by Owner in favor of the Authority (the "Mortgage") and certain other documents evidencing, securing and governing the Financing. The Mortgage and such other documents that evidence, govern or secure the 1602 Grant are collectively referred to in this Agreement as the "Financing Documents"; and

WHEREAS, Owner and Manager have entered into a certain Management Agreement (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, in addition, Owner executed and delivered an Assignment of Contracts,

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Licenses and Permits of even date herewith for the benefit of the Authority (the "CLP Assignment"), which included an assignment of the Management Agreement; and

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

WHEREAS, the Authority requires, as a condition precedent to its making of the Financing, that (i) the lien and security interests of the Mortgage and the other Financing Documents be paramount, superior and prior to any and all existing liens or future rights to liens of Manager or any person or entity claiming by, through or under Manager which arise from or relate to the Management Agreement or any obligations, expenses and indebtedness arising thereunder or related to the Management Agreement (collectively, the "Junior Liens"); and (ii) Manager consents 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 the Authority to make the Financing, it is agreed as follows:

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

To Manager:

Kass Management Services, Inc.
2000 North Racine, Suite 4400
Chicago, Illinois 60614
Attention: Mark Durakovic

To the Authority:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Assistant to the Executive Director for Multifamily Programs

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with a copy to:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: General Counsel

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

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

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

6. Notwithstanding anything contained in the Management Agreement to the contrary, at any time following the date on which the Authority (or any affiliate or designee of the Authority) 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), the Authority shall have the right to terminate the Management Agreement (without penalty or payment of any sum) upon not less than five (5) days' prior written notice to Manager.

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


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

[SIGNATURE PAGE FOLLOWS.]

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

KASS MANAGEMENT SERVICES, INC.,
an Illinois corporation

By: 
Printed Name: MARK DURAKOVIC
Title: VP

Property of Cook County Clerk's Office

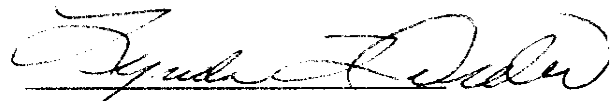
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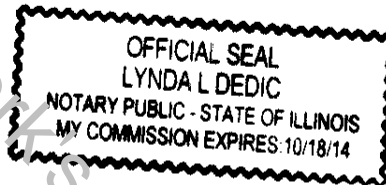
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

ACKNOWLEDGEMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that MARK DURAKOVIC, the VP of **Kass Management Services, Inc.**, an Illinois corporation, 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 VP of **Kass Management Services, Inc.** as his free and voluntary act and deed and as the free and voluntary act and deed of **Kass Management Services, Inc.** for the uses and purposes therein set forth.

Given under my hand and official seal this 8th day of December, 2010.


Notary Public



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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1:

LEGAL DESCRIPTION:

LOTS 3, 4 AND 5 IN BLOCK 12 IN FOURTH ADDITION TO BOULEVARD MANOR, BEING A SUBDIVISION OF THE EAST ½ OF THE SOUTH EAST ¼ AND THAT PART OF THE EAST ½ OF THE NORTHEAST ¼ LYING SOUTH OF THE CENTER LINE OF PARK AVENUE OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 5741 WEST 35TH STREET, CICERO, ILLINOIS

P.I.N.: 16-32-404-003-0000, 16-32-404-004-0000, 16-32-404-005-0000

PARCEL 2:

LEGAL DESCRIPTION:

LOTS 14 AND 15 IN BLOCK 6 IN 4TH ADDITION TO BOULEVARD MANOR, BEING A SUBDIVISION OF THE EAST ½ OF THE SOUTH EAST ¼ AND THAT PART OF THE EAST ½ OF THE NORTHEAST ¼ LYING SOUTH OF THE CENTER LINE OF PARK AVENUE, OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 5700 WEST 35TH STREET, CICERO, ILLINOIS

P.I.N.: 16-32-218-034-0000, 16-32-218-035-0000

PARCEL 3:

LEGAL DESCRIPTION:

LOTS 19 & 20 IN BLOCK 7 IN PARKHOLME, A SUBDIVISION OF BLOCK 14 IN GRANT LAND ASSOCIATION RESUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1638 SOUTH 51ST AVENUE, CICERO, ILLINOIS

P.I.N.: 16-21-401-039-0000

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PARCEL 4:

LEGAL DESCRIPTION:

LOTS 39 AND 40 IN BLOCK 13 IN PARKHOLME, A SUBDIVISION OF BLOCK 14 IN GRANT LAND ASSOCIATION RESUBDIVISION OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1801 SOUTH 50TH AVENUE, CICERO, ILLINOIS

P.I.N.: 16-21-412-001-0000

Property of Cook County Clerk's Office