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This instrument prepared by:

Keith W. Groebe, Esq.
Masuda, Funai, Eifert & Mitchell, Ltd.
203 North LaSalle Street, Suite 2500
Chicago, IL 60601

Doc#: 1215118105 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 05/30/2012 03:25 PM Pg: 1 of 9

Upon recording, return to:

PNC Bank, N.A.
575 Market St, 28th Floor
San Francisco, CA 94108
ATTN: Kathy Rediff, SVP
Project No. 071-10012618
071-35620

SUBORDINATION AGREEMENT AND AMENDMENT OF JUNIOR LOAN DOCUMENTS

THIS SUBORDINATION AGREEMENT AND AMENDMENT OF JUNIOR LOAN DOCUMENTS (this "Agreement") is made as of the 1 day of May, 2012, by and between PNC Bank, N.A., a national banking association (sometimes herein, the "Subordinate Lender" and sometimes herein, the "Senior Lender"), and Lake View Towers Residents Association Inc., an Illinois not-for-profit corporation (the "Borrower" or the "Owner").

Recitals

A. The Subordinate Lender is the payee under that certain Second Mortgage Note, dated as of December 1, 2009, made by the Borrower in the amount of \$4,374,300.00 (the "Subordinate Note"), and insured by HUD under Section 241(a) of the National Housing Act. The Subordinate Note is: (i) secured by that certain Second Mortgage, dated as of December 1, 2009 and recorded December 4, 2009 in the Office of the Cook County Recorder as Document Number 0933818091 (the "Subordinate Mortgage"), encumbering certain property commonly known as 4550 N. Clarendon, Chicago, Illinois, and legally described on Exhibit A attached to and made a part of this Agreement, which together with the improvements thereon are referred to herein as the "Development"; (ii) governed by that certain Amended and Restated Regulatory Agreement for Multifamily Housing Projects recorded December 4, 2009 in the Office of the Cook County Recorder as Document Number 0933818092, as amended by that certain Amendment to Amended and Restated Regulatory Agreement dated as of the date hereof and being recorded concurrently herewith (the "Amended and Restated Regulatory Agreement"); (iii) secured additionally by that Security Agreement (the "Security Agreement"), dated as of December 1, 2009, by and between the Borrower and Subordinate Lender, and certain UCC Financing Statements of the Borrower in favor of Subordinate Lender and filed or recorded, as applicable, with the Secretary of State of Illinois as File No. 14828753 and the Official Records of Cook County, Illinois, as Document No. 093381093. The Security Agreement and the UCC Financing Statements created a second lien security interest in favor of Subordinate Lender in and to the fixtures and various items of personal property currently or thereafter owned by the Borrower with respect to the Project; and (iv) evidenced, secured and governed by certain other documents (the "Other Documents"). The Subordinate Note, the

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Subordinate Mortgage, the Amended and Restated Regulatory Agreement, the Security Agreement and the Other Documents (collectively the "Subordinate Loan Documents") are being amended by this Agreement.

B. The Senior Lender is, concurrently herewith, making a loan to the Borrower in the amount of \$27,943,500.00 (the "Senior Loan") and insured or to be insured by HUD under Section 223(a)(7) of the National Housing Act. The Senior Loan is evidenced by that certain Mortgage Note, dated May 1, 2012 (the "Senior Note") made by the Borrower payable to the order of the Senior Lender in the original principal amount of \$27,943,500.00. The Senior Note is secured by, among other things, that certain Mortgage, dated as of May 1, 2012 (the "Senior PNC Mortgage"), made by the Borrower in favor of the Senior Lender, which is being recorded concurrently herewith in the Office of the Cook County Recorder. In connection with the Senior Loan, the Borrower and the Secretary of Housing and Urban Development ("HUD") have entered into that certain Regulatory Agreement For Multifamily Housing Projects dated as of May 1, 2012 (the "Senior Loan Regulatory Agreement") which is being recorded concurrently herewith in the Office of the Cook County Recorder. Also, in connection with the Senior Loan, the Borrower and HUD have entered into that certain Second Agreement Amending and Extending Use Agreement dated as of May 1, 2012 (the "Second Agreement Amending and Extending Use Agreement") which is being recorded concurrently herewith in the Office of the Cook County Recorder. The Senior Note, Senior PNC Mortgage, Senior Loan Regulatory Agreement, Second Agreement Amending and Extending Use Agreement, and all other documents evidencing, securing or governing the Senior Loan are hereinafter collectively referred to as the "Senior Loan Documents".

C. The Borrower affirms that the following documents are currently recorded against and currently encumber the Development (collectively, the "Documents of Record"):

1. that certain "Use Agreement", recorded August 27, 1992 in the Office of the Cook County Recorder as Document Number 92635720, and
2. that certain Agreement Amending and Extending Use Agreement, recorded December 4, 2009 in the Office of the Cook County Recorder as Document Number 0933818090 and that certain Second Agreement Amending and Extending Use Agreement recorded concurrently herewith in the Office of the Cook County Recorder as Document (the Use Agreement, Agreement Amending and Extending Use Agreement and Second Agreement Amending and Extending Use Agreement are hereinafter, collectively, the "Use Agreements").

D. All obligations of the Borrower to the Senior Lender now existing or hereafter arising, due or to become due, under the Senior Note and the other Senior Loan Documents along with all obligations of the Borrower now existing or hereafter arising, due or to become due, under the Documents of Record, are collectively referred to in this Agreement as the "Senior Liabilities". All obligations of the Borrower to the Subordinate Lender now existing or hereafter arising, due or to become due, under the Subordinate Note and the other Subordinate Loan Documents are collectively referred to in this Agreement as the "Subordinate Liabilities."

E. The Senior Lender's agreement to make the Senior Loan is subject to the condition that the Subordinate Lender enters into this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and as an inducement to the Senior Lender to make the Senior Loan, and for other good and valuable

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consideration, the receipt and sufficiency of which are acknowledged, the parties hereto represent, warrant and agree as follows:

1. Warranties of the Subordinate Lender. The Subordinate Lender represents and warrants that true, correct and complete copies of all of the Subordinate Loan Documents have previously been delivered to the Senior Lender and are described in Recital A above.

2. Subordination of Liens; Consents and Approvals. The liens and security interests created by the Subordinate Loan Documents and any and all amendments, modifications, extensions, replacements or renewals thereof are hereby subordinated to the liens and security interests created by the Senior Loan Documents and the Documents of Record and to any and all amendments, modifications, extensions, replacements or renewals of the Senior Loan Documents and the Documents of Record, and to any and all advances heretofore made or hereafter to be made under the Senior Loan Documents and the Documents of Record or in connection with the Senior Liabilities, pursuant to any of the terms thereof. Notwithstanding anything contained in Paragraph 13 of the Subordinated Mortgage, the Subordinate Lender hereby consents to and approves the Senior Loan Documents. Senior Lender hereby consents to the Subordinate Loan Documents, as amended hereby and by the Amendment to Amended and Restated Regulatory Agreement herein recorded concurrently herewith.

3. Successors and Assigns. This Agreement shall be binding upon the Subordinate Lender and the successors and assigns thereof, whether immediate or remote.

4. Amendment of Agreement. This Agreement may not be altered or amended without the prior written consent of all of the parties hereto and HUD.

5. Notices. Any notice, demand, request or other communication that any party hereto may desire or may be required to give to any other party hereto under or with respect to 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) registered or certified United States mail, postage prepaid, return receipt requested.

If to the Senior Lender:

PNC Bank, N.A.
575 Market St, 28th Floor
San Francisco, CA 94108
Attention: Kathy Ratliff, VP

With a copy to:

United States Department of Housing and Urban Development
77 West Jackson Boulevard, 26th Floor
Chicago, Illinois 60604
Attention: Regional Counsel
HUD Project No's. 071-10012 and 071-35820

If to the Subordinate Lender:

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PNC Bank, N.A.
575 Market St, 28th Floor
San Francisco, CA 94108
Attention: Kathy Ratliff, VP

If to the Borrower:

Lake View Towers Residents Association Inc.
4550 N. Clarendon
Chicago, IL 60611
Attention: President

With a copy to:

Keith W. Groebe, Esq.
Masuda, Funai, Eifert & Mitchell, Ltd.
203 North LaSalle Street, Suite 2500
Chicago, IL 60601

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

6. Construction and Interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible, each provision of this Agreement shall be interpreted in such a 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 only be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7. Termination. This Agreement shall terminate upon full and final payment of any and all amounts due under the Senior Liabilities, provided that all rights of the Subordinate Lender under this Agreement shall automatically terminate at such time as the Subordinate Liabilities have been paid in full.

8. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must or may be produced or exhibited, be the Agreement, but all such counterparts shall constitute but one and the same instrument.

9. Amendments to the Subordinate Loan Documents.

(a) The third paragraph of Rider A of the Subordinate Mortgage is hereby deleted in its entirety and replaced with the following:

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“In the event that Maker or its successor and/or assign is declared to be in default under that certain Mortgage Note, dated May 1, 2012, made by Maker in the original principal amount of \$27,943,500.00 (the “Senior Note”), or under that certain Mortgage, dated May 1, 2012 and recorded May __, 2012, concurrently with the Senior Regulatory Agreement in the Office of the Cook County Recorder, securing the Senior Note, said default shall constitute a default under this Second Mortgage and at the election of the Mortgagee, the Mortgagee may exercise any or all of its rights as provided in this Second Mortgage.”

(b) Paragraph 6 of the Rider to the Subordinate Note is hereby deleted in its entirety and replaced with the following:

“In the event that the Maker, or its successor and/or assign, is declared to be in default under that certain Mortgage Note, dated May 1, 2012 made by Maker in the original principal amount of \$27,943,500.00 (the “Senior Note”), or under that certain Mortgage, dated May 1, 2012 and recorded concurrently with the Senior Loan Regulatory Agreement in the Office of the Cook County Recorder, said default under the Senior Note shall constitute a default under this Note and at the election of the Holder, the Holder may exercise any or all of its rights as more fully set forth in the Second Mortgage.”

(c) All references in the Subordinate Loan Documents to the Amended and Restated Regulatory Agreement shall hereafter refer to the Amended and Restated Regulatory Agreement, as amended by the Amendment to Amended and Restated Regulatory Agreement dated as of the date hereof between the Secretary of Housing and Urban Development and LVTRA being recorded concurrently herewith.

In the event of any conflict, inconsistency or ambiguity between the provisions of any of the Subordinate Loan Documents and the provisions of this Paragraph 9, the provisions of this Paragraph 9 shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Subordinate Loan Documents. As amended by the foregoing provisions of this Section 9, the Subordinate Loan Documents shall continue to remain in full force and effect and are hereby ratified and confirmed by the Borrower and the Subordinate Lender.

[Signatures appear on the following page.]

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IN WITNESS WHEREOF, this Agreement has been executed and delivered by the authorized representatives of the parties.

SENIOR LENDER:

PNC Bank, N.A.,
a national banking association

By: 

Name: Kathy J. Ratliff

Title: Vice President

SUBORDINATE LENDER:

PNC Bank, N.A.,
a national banking association

By: 

Name: Kathy J. Ratliff

Title: Vice President

BORROWER:

Lake View Towers Residents Association Inc.,
an Illinois not-for profit corporation

By: 

Name: Stephen Somuah

Title: President

By its signature below, HUD acknowledges and consents to the amendment to the Subordinate Note and Subordinate Mortgage referenced in Section 9 of this Agreement, and the parties hereto affirm and agree that HUD shall be entitled to enforce the provisions thereof and the subordination of the Subordinate Liabilities to the Senior Loan Documents and Use Agreements.

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United States Department of Housing
and Urban Development

By: _____

Name: _____

Authorized Agent

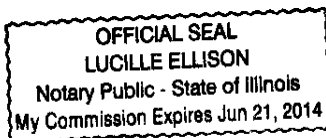
State of _____)

) ss

County of _____)

Before me, Lucille Ellison, a Notary Public in and for said State, on this 30 day of May, 2012, personally appeared Mary Anderson who is personally well known to me to be the Director Agent of the Department of Housing and Urban Development, and the person who executed the foregoing instrument by virtue of the authority vested in him/her by the National Housing Act, as amended, and I having first made known to him/her the contents thereof, he/she did acknowledge the signing thereof to be his/her free and voluntary act and deed on behalf of the Secretary of Housing and Urban Development, for the uses, purposes and considerations therein set forth.

Witness my hand and official seal this 30 day of May, 2012.



Lucille Ellison
Notary Public

State of California)

County of San Francisco)

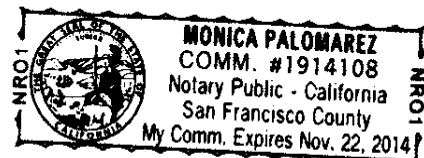
On this 21 day of May, 2012, before me, Monica Palomarez, personally appeared Kathy J. Ratliff, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal.

Monica Palomarez
(Signature)

[Seal]



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State of California)

County of San Francisco)

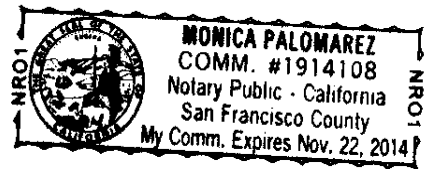
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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal.

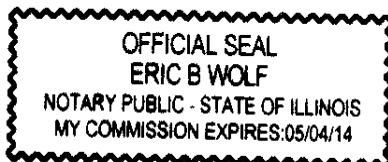
Monica Palomarez
(Signature)

[Seal]



State of Illinois)
) ss
County of Cook)

This instrument was acknowledged before me on May 29, 2012, by Stephen Sornuiah, as President of Lake View Towers Residents Association Inc.



[Signature]
Notary Public

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Exhibit A

Legal Description

Parcel 1:

Lot 3 (except the West 11.0 feet of the North 79.336 feet) and Lots 4 to 12, both inclusive, the East 79 feet of Lot 1 (measured along the South Line of said Lot); all of the East and West vacated alley lying South of and adjoining Lots 3 to 6, both inclusive, and all of the North and South vacated alley lying West of and adjoining Lots 7 to 11, both inclusive, all in Christian Kurz's Resubdivision of Lots 5 and 6 in Rufus C. Hall's Subdivision of part of the East 1/2 of the Northeast 1/4 of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lot 10 and the East 59.60 feet of Lot 9 in Wallingford's Subdivision of the 15 Rods South of and adjoining the North 95 Rods of the East 1/2 of the Northeast 1/4 of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

P.I.N.: 14-17-221-009-0000

14-17-221-010-0000

14-17-221-011-0000

14-17-221-012-0000

14-17-221-025-0000

14-17-221-026-0000

14-17-221-027-0000

14-17-221-028-0000

14-17-221-029-0000

14-17-221-032-0000

Address: 4550 North Clarendon Avenue
Chicago, Illinois