



This document prepared by and after recording, return to: Gina Llanas Illinois Housing Development Authority 401 N. Michigan Ave. Ste 700 Chicago, Illinois 60611 Property Identification No.:

Doc#: 1310831070 Fee: \$48.00 RHSP Fee:\$10.00 Affidavit Fee: Karen A. Yarbrough Cook County Recorder of Deeds Date: 04/18/2013 01:05 PM Pg: 1 of 6

14-17-117-010-0000 14-17-117-011-0000

HTF- 10973

SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 1st day of April, 2013, by Related Management Company, L.P. ("Manager"), to and for the benefit of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended from time to time ("Lender").

RECITALS:

WHEREAS, the Lender has agreed to make two (2) loans collectively, the "Loans") to Sheridan Park Preservation, L.P. ("Borrower") as follows loans (as follows (i) a loan from the Illinois Affordable Housing Trust Fund ("Trust Fund") pursuant to Section 8 of the Trust Fund Act in the maximum principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00)(the "Trust Fund Loan"); and (ii) a loan from The Harry and Jeanette Weinberg Foundation in the maximum principal amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00)(the "Foundation Loan") to be used with other monies, if any, for the acquisition, construction and permanent financing of a multifamily housing development known as Sheridan Park Apartments (the "Development") to be located on the real estate described on Exhibit A attached hereto and made a part hereof. The Loans are secured by two (2) mortgages dated as of the date hereof given by Borrower in favor of Lender (the "Mortgages") and certain other documents evidencing, securing and governing the Loans. The Mortgages and such other loan documents are collectively referred to in this Agreement as the "Loan Documents"; and

WHEREAS, Borrower 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, Borrower executed and delivered an Assignment of Contracts, Licenses and Permits of even date herewith for the benefit of Lender (the "CLP Assignment"), which

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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**, Lender requires, as a condition precedent to its making of the Loans, that (i) the lien and security interests of the Mortgages and the other Loan Documents be paramount, superior and prior to any and all existing liens or future rights to liens of Manager or any person or entity claiming by, through or under Manager which arise from or relate to the Management Agreement or any obligations, expenses and indebtedness arising thereunder or related to the Management Agreement (collectively, the "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 Lender to make the Loans, 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 Mortgages and other Loan 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:  
 Related Management Company, L.P.  
 423 West 55<sup>th</sup> Street, 9<sup>th</sup> Floor  
 New York, New York 10019  
 Attention: Lawrence Lipton, CFO

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

with a copy to:  
 Illinois Housing Development Authority  
 401 North Michigan Avenue, Suite 700  
 Chicago, Illinois 60611

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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 Lender and its successors and assigns.

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

6. Notwithstanding anything contained in the Management Agreement to the contrary, at any time following the date on which Lender (or any affiliate or designee of Lender) becomes an owner of any portion of the Development in any manner (including, without limitation, by purchasing the Development at a foreclosure sale or by acceptance of a deed in lieu of foreclosure), Lender shall have the right to terminate the Management Agreement (without penalty or payment of any sum) upon not less than five (5) days' prior written notice to Manager.

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


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.

**RELATED MANAGEMENT COMPANY, L.P.**

By:   
Printed Name: Michael Brenner  
Title: Executive Vice President of General Partner

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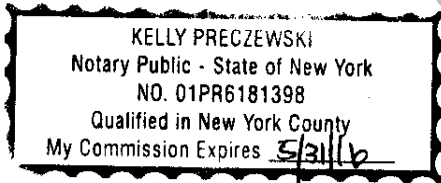
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STATE OF *New York* )  
 ) SS  
COUNTY OF *New York* )

## ACKNOWLEDGEMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that Michael J. Brenner, the Executive Vice President of RCMP Management, Inc., 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/she signed and delivered the said instrument in his/her capacity as Executive Vice President of RCMP Management, Inc. as his/her free and voluntary act and deed and as the free and voluntary act and deed of RCMP Management, Inc. \* for the uses and purposes therein set forth.

\* on behalf of Global Management Company, L.P.  
Given under my hand and official seal this 10th day of April, 2013.



*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public

Cook County Clerk's Office

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## EXHIBIT A

### LEGAL DESCRIPTION OF REAL ESTATE

LOTS 100 AND 101 IN SHERIDAN DRIVE SUBDIVISION, BEING A SUBDIVISION OF THE NORTH  $\frac{3}{4}$  OF THE EAST  $\frac{1}{2}$  OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH PART OF THE WEST  $\frac{1}{2}$  OF SAID NORTHWEST  $\frac{1}{4}$ , LYING NORTH OF THE SOUTH 800 FEET THEREOF AND EAST OF GREEN BAY ROAD, IN COOK COUNTY, ILLINOIS.

Permanent Tax Identification Nos.:

14-17-117-010-0000

14-17-117-011-0000

Property Address:

4536 North Magnolia Chicago, Illinois

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