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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 10/08/2013 12:40 PM Pg: 1 of 6

This document prepared by
and after recording, return
to: Thomas M. Jenkins
Illinois Housing Development
Authority
401 N. Michigan Ave. Ste 700
Chicago, Illinois 60611
Property Identification No.:
See Exhibit A
Property Address:
4537 S. Drexel Boulevard, Unit 403 and P-59
Chicago, Illinois

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SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 6th day of September, 2013, by **THE THRESHOLDS** ("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 THI-15 LLC ("Owner") from the BIBP Program in the maximum amount of Ninety-Nine Thousand Five Hundred and No/100 Dollars (\$99,500.00), for the acquisition, rehabilitation and permanent financing of a condominium unit known as 4537 S. Drexel Boulevard, Unit 403 and P-59, Chicago, Illinois (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 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 Financing 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, Licenses and Permits of even date herewith for the benefit of the Authority (the "CLP

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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:

The Thresholds
4101 N. Ravenswood
Chicago, Illinois 60613
Attn: Gavin Farry

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.

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

THE THRESHOLDS

By: 
Printed Name: Gavin Ferry
Title: Sfo

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UNITS 403 AND P-59 IN DREXEL PARC LOFT CONDOMINIUMS AS DELINIATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOT 2 IN THE SUBDIVISION OF LOTS 6 AND 7 OF BLOCK 5 IN WALKER AND STINSON'S SUBDIVISION, AND LOTS 3 AND 4 IN BLOCK 5 IN HALE AND HARRIS SUBDIVISION OF THE NORTH 30.70 FEET OF LOT 8 AND THE SOUTH 69.30 FEET OF LOT 5 IN WALKER AND STINSON'S SUBDIVISION ALL IN THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED AS DOCUMENT NO. 0526932004 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, AS AMENDED FROM TIME TO TIME, IN COOK COUNTY, ILLINOIS.

STREET ADDRESS: 4537 S. DREXEL BOULEVARD, UNIT 403 AND P-59.

PIN: 20-02-312-054-1022

20-02-312-054-1108

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