

UNOFFICIAL COPY

212522



Prepared by, and after recording
return to:
Chee Hung, Esq.
Krooth & Altman LLP
1850 M Street NW
Suite 400
Washington DC 20036

Doc#: 1612319092 Fee: \$78.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 05/02/2016 11:20 AM Pg: 1 of 21

Freddie Mac Loan Number: 708556582
Property Name: Thornwood Apartments

SUBORDINATION AGREEMENT

PRIVATE ENTITY

(Revised 3-1-2014)

THIS SUBORDINATION AGREEMENT ("Agreement") is entered into this 29th day of April, 2016, by and between (i) **BELLWETHER ENTERPRISE REAL ESTATE CAPITAL, LLC**, a limited liability company organized and existing under the laws of the State of Ohio ("**Senior Mortgagee**"), and (ii) **BANK OF AMERICA, N.A.**, a national banking association, as successor in interest of LaSalle Bank, N.A., a national banking association ("**Subordinate Mortgagee**").

RECITALS

- A. **THORNWOOD-CHICAGO HEIGHTS, L.P.**, a limited partnership organized under the laws of the State of Illinois ("**Borrower**") is the owner of certain land located in Cook County, Illinois, described in Exhibit A ("**Land**"). The Land is improved with a multifamily rental housing project ("**Improvements**").
- B. Senior Mortgagee has made or is making a loan to Borrower in the original principal amount of \$9,100,000 ("**Senior Loan**") upon the terms and conditions of a Multifamily Loan and Security Agreement dated as of April 29, 2016 between Senior Mortgagee and Borrower ("**Senior Loan Agreement**") in connection with the Mortgaged Property. The Senior Loan is secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of April 29, 2016 ("**Senior Mortgage**") encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the "**Mortgaged Property**."

[Handwritten signature]
20

UNOFFICIAL COPY

- C. Pursuant to a Retention/Repayment Agreement for Rental Projects Using Low Income Housing Tax Credits (LIHTCs) dated as of March 28, 2006 between Subordinate Mortgagee, Borrower, and **COOK COUNTY HOUSING DEVELOPMENT CORPORATION D/B/A TURNSTONE DEVELOPMENT CORPORATION**, an Illinois not-for-profit corporation (“**Sponsor**”) (“**Subordinate Loan Agreement**”), Subordinate Mortgagee has made or is making a loan to Borrower in the original principal amount of \$370,000 (“**Subordinate Loan**”). The Subordinate Loan is secured by the Subordinate Loan Agreement (referred to herein as the “**Subordinate Mortgage**”) encumbering all or a portion of the Mortgaged Property.
- D. The Senior Mortgage will be recorded in the real estate records of Cook County, Illinois (“**Recording Office**”) immediately prior hereto. The Subordinate Mortgage is recorded in the Recording Office as Document 0608831076.
- E. The execution and delivery of this Agreement is a condition of Senior Mortgagee’s making of the Senior Loan.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Definitions.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.
 - (a) The terms “**Condemnation,**” “**Imposition Deposits,**” “**Impositions,**” “**Leases,**” “**Rents**” and “**Restoration,**”, as well as any term used in this Agreement and not otherwise defined in this Agreement, will have the meanings given to those terms in the Senior Loan Agreement.
 - (b) “**Bankruptcy Proceeding**” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.
 - (c) “**Borrower**” means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” will not include Senior Mortgagee if Senior Mortgagee acquire titles to the Mortgaged Property.
 - (d) “**Casualty**” means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.
 - (e) “**Enforcement Action**” means any of the following actions taken by or at the direction of Subordinate Mortgagee: the acceleration of all or any part of the

UNOFFICIAL COPY

Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

- (f) **"Enforcement Action Notice"** means a written Notice from Subordinate Mortgagee to Senior Mortgagee, given following one or more Subordinate Mortgage Default(s) and the expiration of any Notice or cure periods provided for such Subordinate Mortgage Default(s) in the Subordinate Loan Documents, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Mortgagee.
- (g) **"Loss Proceeds"** means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.
- (h) **"Notice"** is defined in Section 6(c).
- (i) **"Senior Indebtedness"** means the "Indebtedness" as defined in the Senior Loan Agreement.
- (j) **"Senior Loan Documents"** means the "Loan Documents" as defined in the Senior Loan Agreement.
- (k) **"Senior Mortgage Default"** means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an "Event of Default" as defined in the Senior Loan Agreement.
- (l) **"Senior Mortgagee"** means the "Lender" as defined in the Senior Mortgage. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity automatically will become Senior Mortgagee.
- (m) **"Senior Note"** means the promissory note or other evidence of the Senior Indebtedness referred to in the Senior Loan Agreement and any replacement of the Senior Note.

UNOFFICIAL COPY

- (n) **“Subordinate Indebtedness”** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Mortgagee pursuant to, the Subordinate Loan Documents.
- (o) **“Subordinate Loan Documents”** means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same may be amended.
- (p) **“Subordinate Mortgage Default”** means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Mortgagee to take an Enforcement Action.
- (q) **“Subordinate Mortgagee”** means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.
- (r) **“Subordinate Note”** means the promissory note or other evidence of the Subordinate Indebtedness referred to in the Subordinate Mortgage and any replacement of the Subordinate Note.
- (s) **“Surplus Cash”** means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all of the following:
- (i) All sums due or currently required to be paid under the Senior Loan Documents, including any Imposition Deposits.
 - (ii) All deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.
 - (iii) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Mortgaged Property).

2. Subordination of Subordinate Indebtedness.

- (a) The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.
- (b) Until the occurrence of a Senior Mortgage Default, Subordinate Mortgagee will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the

UNOFFICIAL COPY

requirements of the Subordinate Loan Documents; provided no such payment is made more than 10 days in advance of its due and provided further that no such payment exceeds 75% of then available Surplus Cash. However, immediately upon Subordinate Mortgagee's receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Mortgagee will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement will apply. Subordinate Mortgagee acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Mortgagee will be deemed to have actual knowledge of a Senior Mortgage Default.

- (c) (f) (i) Subordinate Mortgagee receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including any proceeds from any Enforcement Action) after a Senior Mortgage Default of which Subordinate Mortgagee has actual knowledge (or is deemed to have actual knowledge as provided in 2(b) above) or has been given Notice, or (ii) Subordinate Mortgagee receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Mortgagee. Subordinate Mortgagee will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Mortgagee. Senior Mortgagee will apply any payment, asset, or property so received from Subordinate Mortgagee to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Mortgagee determines in its sole and absolute discretion. Subordinate Mortgagee designates and appoints, irrevocably and couple with an interest, Senior Mortgagee (and all persons and entities designated by Senior Mortgagee) as Subordinate Mortgagee's true and lawful attorney-in-fact with power to endorse the name of Subordinate Mortgagee upon any check or other instrument and to take any action necessary to collect any payment, property, or asset referred to in, or otherwise effectuate the provisions of, this Section 2(c).
- (d) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness will first be paid in full in cash before Subordinate Mortgagee will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Subordinate Mortgagee would be entitled but for this Agreement (whether in cash, property, or other assets) will be made to Senior Mortgagee.

UNOFFICIAL COPY

- (e) The subordination of the Subordinate Indebtedness will continue if any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.
- (f) In addition to the limitations set forth above, Subordinate Mortgagee agrees that the Subordinate Indebtedness will be payable solely from 75% of Surplus Cash while the Senior Indebtedness remains outstanding.

3. Subordination of Subordinate Loan Documents.

- (a) Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.
- (b) The subordination of the Subordinate Loan Documents and of the Subordinate Indebtedness will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, and (ii) the availability of any collateral to Senior Mortgagee, including the availability of any collateral other than the Mortgaged Property.
- (c) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Mortgagee under the Subordinate Loan Documents in or to all or any portion of the Mortgaged Property are expressly subject and subordinate in all respects to the rights and claims of Senior Mortgagee under the Senior Loan Documents in or to the Mortgaged Property.
- (d) If Subordinate Mortgagee, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Mortgaged Property, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Mortgagee of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.
- (e) In confirmation, and not as a condition, of the subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, Subordinate Mortgagee will place on or attach to the Subordinate

UNOFFICIAL COPY

Note the following Notice, and will provide Senior Mortgagee with a copy of the Subordinate Note showing such Notice:

“The right of the holder of this promissory note to payment of any of the indebtedness evidenced by this promissory note is and will at all times be subordinate to the right of the **BELLWETHER ENTERPRISE REAL ESTATE CAPITAL, LLC**, an Ohio limited liability company, its successors and assigns, under a Multifamily Note dated as of April 29, 2016 (“**Senior Note**”) to payment in full of the indebtedness evidenced by the Senior Note. The foregoing subordination is pursuant to a Subordination Agreement dated as of April 29, 2016 between **BELLWETHER ENTERPRISE REAL ESTATE CAPITAL, LLC**, an Ohio limited liability company, and the holder of this promissory note on the date of the Subordination Agreement.”

4. Additional Representations and Covenants.

- (a) Subordinate Mortgagee represents and warrants that each of the following is true:
- (i) Subordinate Mortgagee is now the owner and holder of the Subordinate Loan Documents.
 - (ii) The Subordinate Loan Documents are now in full force and effect.
 - (iii) The Subordinate Loan Documents have not been modified or amended.
 - (iv) No Subordinate Mortgage Default has occurred.
 - (v) The current unpaid principal balance of the Subordinate Indebtedness is \$370,000.
 - (vi) No scheduled monthly payments under the Subordinate Note have been or will be prepaid.
 - (vii) None of the rights of Subordinate Mortgagee under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.
- (b) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not do any of the following:
- (i) Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents.
 - (ii) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.

UNOFFICIAL COPY

- (iii) Accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than 10 days prior to its due date and not in excess of 75% of then available Surplus Cash.
 - (iv) Take any action which has the effect of increasing the Subordinate Indebtedness.
 - (v) Appear in, defend or bring any action to protect Subordinate Mortgagee's interest in the Mortgaged Property.
 - (vi) Take any action concerning environmental matters affecting the Mortgaged Property.
- (c) Subordinate Mortgagee will deliver to Senior Mortgagee a copy of each Notice received or delivered by Subordinate Mortgagee pursuant to the Subordinate Loan Documents or in connection with the Subordinate Indebtedness, simultaneously with Subordinate Mortgagee's delivery or receipt of such Notice. Senior Mortgagee will deliver to Subordinate Mortgagee in the manner required in Section 5(b) a copy of each Notice of a Senior Mortgage Default delivered to Borrower by Senior Mortgagee. Neither giving nor failing to give a Notice to Senior Mortgagee or Subordinate Mortgagee pursuant to this Section 4(c) will affect the validity of any Notice given by Senior Mortgagee or Subordinate Mortgagee to Borrower, as between Borrower and such of Senior Mortgagee or Subordinate Mortgagee as provided the Notice to Borrower.
- (d) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Mortgagee will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Mortgagee has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Mortgagee will not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.
- (e) Whenever the Subordinate Loan Documents give Subordinate Mortgagee approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Mortgagee pursuant to the Senior Loan Documents or otherwise, Senior Mortgagee's approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Mortgagee. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4(e).

UNOFFICIAL COPY

- (f) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Mortgagee. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Mortgagee. Nothing in this Section 4(f) will preclude Subordinate Mortgagee from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Mortgagee be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.
- (g) In the event of a Condemnation or a Casualty, all of the following provisions will apply:
- (i) The rights of Subordinate Mortgagee (under the Subordinate Loan Document or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Mortgagee's rights under the Senior Loan Documents with respect thereto, and Subordinate Mortgagee will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Mortgagee.
 - (ii) All Loss Proceeds will be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Mortgagee in its sole discretion.
 - (iii) If Senior Mortgagee applies or releases Loss Proceeds for the purposes of Restoration of the Mortgaged Property, then Subordinate Mortgagee will release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If Senior Mortgagee holds Loss Proceeds, or monitors the disbursement thereof, Subordinate Mortgagee will not do so. Nothing contained in this Agreement will be deemed to require Senior Mortgagee to act for or on behalf of Subordinate Mortgagee in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Mortgagee, and all or any Loss Proceeds may be commingled with any funds of Senior Mortgagee.
 - (iv) If Senior Mortgagee elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any

UNOFFICIAL COPY

remaining Loss Proceeds held by Senior Mortgagee will be paid to Subordinate Mortgagee unless another party has asserted a claim to the remaining Loss Proceeds.

- (h) Subordinate Mortgagee will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Mortgagee has granted attornment and non-disturbance, on the same terms and conditions given by Senior Mortgagee.
- (i) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Mortgagee will not collect payments for the purpose of escrowing for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if Senior Mortgagee is not collecting escrow payments for one or more Impositions, Subordinate Mortgagee may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Mortgagee will be held in trust by Subordinate Mortgagee to be applied only to the payment of such Impositions.
- (j) Within 10 days after request by Senior Mortgagee, Subordinate Mortgagee will furnish Senior Mortgagee with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Mortgagee may request.
- (k) Senior Mortgagee may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provision of any of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Mortgagee, and without affecting any of the provisions of this Agreement.

5. Default Under Loan Documents.

- (a) Senior Mortgagee will have the right, but not the obligation, to cure any Subordinate Mortgage Default, until such time, if ever, as Senior Mortgagee delivers to Subordinate Mortgagee Senior Mortgagee's Notice of written consent to an Enforcement Action described in an Enforcement Action Notice given by Subordinate Mortgagee as a consequence of a Subordinate Mortgage Default. Subordinate Mortgagee acknowledges that all amounts advanced or expended by Senior Mortgagee to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.
- (b) Senior Mortgagee will deliver to Subordinate Mortgagee a copy of any Notice sent by Senior Mortgagee to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Senior Mortgagee to send

UNOFFICIAL COPY

Notice to Subordinate Mortgagee will not prevent the exercise of Senior Mortgagee's rights and remedies under the Senior Loan Documents. Subordinate Mortgagee will have the right, but not the obligation, to cure any Senior Mortgage Default during such period of time, if any, as Borrower is permitted by the terms of the Senior Loan Documents to cure a Senior Mortgage Default. Subordinate Mortgagee will not be subrogated to the rights of Senior Mortgagee under the Senior Loan Documents by reason of Subordinate Mortgagee having cured any Senior Mortgage Default.

- (c) In the event of a Subordinate Mortgage Default, Subordinate Mortgagee will not commence any Enforcement Action until after (i) Subordinate Mortgagee has delivered to Senior Mortgagee an Enforcement Action Notice with respect to such Enforcement Action, and (ii) Senior Mortgagee has delivered to Subordinate Mortgagee Senior Mortgagee's written consent to such Enforcement Action by Subordinate Mortgagee. Senior Mortgagee will advise Subordinate Mortgagee whether Senior Mortgagee consents to the Enforcement Action by Subordinate Mortgagee within 90 days following Senior Mortgagee's receipt of the Enforcement Action Notice (failure of Senior Mortgagee to provide written consent to the Enforcement Action within such 90-day period constitutes Senior Mortgagee's refusal of such consent). Subordinate Mortgagee acknowledges that Senior Mortgagee may grant or refuse consent to Subordinate Mortgagee's Enforcement Action in Senior Mortgagee's sole and absolute discretion. Any Enforcement Action on the part of Subordinate Mortgagee will be subject to the provisions of this Agreement. Subordinate Mortgagee acknowledges that the provisions of this Section 5(c) are fair and reasonable under the circumstances, that Subordinate Mortgagee has received a substantial benefit from Senior Mortgagee having granted its consent to the Subordinate Mortgage, and that Senior Mortgagee would not have granted such consent without the inclusion of these provisions in this Agreement.
- (d) Senior Mortgagee may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Mortgagee. No action or failure to act on the part of Senior Mortgagee in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Mortgagee of any provision of the Senior Loan Documents or this Agreement.
- (e) If the Enforcement Action taken by Subordinate Mortgagee is the appointment of a receiver for any of the Mortgaged Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Mortgagee until the Senior Indebtedness will have been paid in full.
- (f) Subordinate Mortgagee consents to and authorizes the release by Senior Mortgagee of all or any portion of the Mortgaged Property from the lien,

UNOFFICIAL COPY

operation, and effect of the Senior Loan Documents. Subordinate Mortgagee waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Mortgaged Property, (ii) to require the separate sale of any portion of the Mortgaged Property, (iii) to require Senior Mortgagee to exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iv) to require Senior Mortgagee to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Mortgagee determines. Subordinate Mortgagee consents to and authorizes, at the option of Senior Mortgagee, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Mortgagee acknowledges that without Notice to Subordinate Mortgagee and without affecting any of the provisions of this Agreement, Senior Mortgagee may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents; and (iii) modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

- (g) If any party other than Borrower (including Senior Mortgagee) acquires title to any of the Mortgaged Property pursuant to a foreclosure of, or trustee's sale or other exercise of any power of sale under, the Senior Mortgage conducted in accordance with applicable law, the lien, operation, and effect of the Subordinate Mortgage and other Subordinate Loan Documents automatically will terminate with respect to such Mortgaged Property.

6. Miscellaneous Provisions.

- (a) If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control.
- (a) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties hereto. No other party will be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.
- (b) This Agreement does not constitute an approval by Senior Mortgagee of the terms of the Subordinate Loan Documents.
- (c) Each Notice, request, demand, consent, approval or other communication (collectively, "Notices," and singly, a "Notice") which is required or permitted to

UNOFFICIAL COPY

be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

(i) Notices intended for Senior Mortgagee will be addressed to:

Bellwether Enterprise Real Estate Capital, LLC
1360 E. Ninth Street, Suite 300
Cleveland, Ohio 44114

(ii) Notices intended for Subordinate Mortgagee will be addressed to:

Bank of America, N.A.
CA5-705-06-01
555 California, 6th Floor
San Francisco, CA 94104
Attn: AHP Community Development
Telephone: 1.415.913.3216

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

- (e) Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Mortgagee as a joint venturer or partner of Subordinate Mortgagee.
- (f) Upon Notice from Senior Mortgagee, Subordinate Mortgagee will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Mortgagee in order to further evidence or implement the provisions and intent of this Agreement.
- (g) This Agreement will be governed by the laws of the State in which the Land is located.

UNOFFICIAL COPY

- (h) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (i) The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Mortgagee as described in Section 2(e) of this Agreement, (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which Subordinate Mortgagee is obligated to remit to Senior Mortgagee pursuant to this Agreement, (iii) the acquisition by Senior Mortgagee or by a third party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage; or (iv) with the prior written consent of Senior Mortgagee, without limiting the provisions of Section 5(d), the acquisition by Subordinate Mortgagee of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.
- (j) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (k) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.
- (l) This Agreement may be assigned at any time by Senior Mortgagee to any subsequent holder of the Senior Note.
- (m) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the parties to this Agreement.
- (n) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

UNOFFICIAL COPY

[Signature and acknowledgment pages follow]

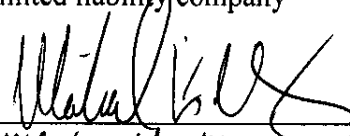
Property of Cook County Clerk's Office

UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SENIOR MORTGAGEE:

**BELLWETHER ENTERPRISE REAL
ESTATE CAPITAL, LLC**
an Ohio limited liability company


By: 
Name: Michael K. Meyer
Title: Senior Vice President

Property of Cook County Clerk's Office

ACKNOWLEDGEMENT

STATE OF Ohio)
) ss:
COUNTY OF Franklin)

The foregoing instrument was acknowledged before me this 12th day of April, 2016 by Michael K. Meyer, Sr. Vice President of BELLWETHER ENTERPRISE REAL ESTATE CAPITAL, LLC, an Ohio limited liability company, on behalf of the limited liability company.


Notary Public

(SEAL)

Printed Name: Deborah Moore

My Commission Expires:
3/1/2020



UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION

Description

PARCEL 1: (THORNWOOD APARTMENTS)

THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 300 FEET THEREOF, NORTH OF THE SOUTH LINE OF THE NORTH 872 FEET (EXCEPT THE WEST 450 FEET THEREOF) AND LYING WEST OF THE CENTERLINE OF THE RIGHT-OF-WAY OF GLENWOOD ROAD, IN COOK COUNTY, ILLINOIS (EXCEPTING THEREFROM THE WEST 307.14 FEET THEREOF) AND ALSO (EXCEPTING THEREFROM THE NORTH 285 FEET OF THE EAST 428.63 FEET OF THE WEST 735.77 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

PARCEL 2: (PLAYGROUND)

THE NORTH 285 FEET OF THE EAST 175.00 FEET OF THE WEST 735.77 FEET OF THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 300 FEET THEREOF, NORTH OF THE SOUTH LINE OF THE NORTH 872 FEET (EXCEPT THE WEST 450 FEET THEREOF) AND WEST OF THE CENTERLINE OF THE RIGHT-OF-WAY OF GLENWOOD ROAD, IN COOK COUNTY, ILLINOIS.

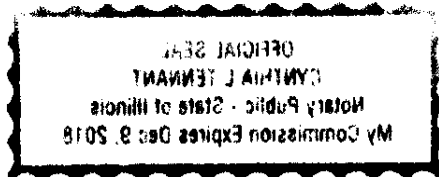
Pin No's

32-09-101-028

32-09-101-029

Addresses

19440-19460 S. Chicago Heights-Glenwood Road, Chicago Heights, Illinois



UNOFFICIAL COPY**EXHIBIT A****LEGAL DESCRIPTION****PARCEL 1:**

THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 300 FEET THEREOF, NORTH OF THE SOUTH LINE OF THE NORTH 872 FEET (EXCEPT THE WEST 450 FEET THEREOF) AND LYING WEST OF THE CENTERLINE OF THE RIGHT-OF-WAY OF GLENWOOD ROAD, IN COOK COUNTY, ILLINOIS (EXCEPTING THEREFROM THE WEST 307.14 FEET THEREOF) AND ALSO (EXCEPTING THEREFROM THE NORTH 285 FEET OF THE EAST 428.63 FEET OF THE WEST 735.77 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

32-09-101-028-0000

PARCEL 2:

THE NORTH 285 FEET OF THE EAST 175.00 FEET OF THE WEST 735.77 FEET OF THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 300 FEET THEREOF, NORTH OF THE SOUTH LINE OF THE NORTH 872 FEET (EXCEPT THE WEST 450 FEET THEREOF) AND WEST OF THE CENTERLINE OF THE RIGHT-OF-WAY OF GLENWOOD ROAD, IN COOK COUNTY, ILLINOIS.

32-09-101-029-0000

19440-60 GLENWOOD ROAD, CHICAGO HEIGHTS, IL