

UNOFFICIAL COPY

THIS INSTRUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:

Illinois Housing Development Authority
111 E. Wacker Dr., Ste 1000
Chicago, Illinois 60601
Attn: Brent D. Butcher

Permanent Tax Index
Identification No.:
See Exhibit A Attached Hereto
Chicago, Illinois

HTF - 11339



Doc# 2111919088 Fee \$88.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 04/29/2021 04:17 PM PG: 1 OF 6

SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 29th day of April, 2021 by **LEASING AND MANAGEMENT COMPANY, INC.** ("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").

41061354 (15)

RECITALS:

WHEREAS, Paseo Boricua Arts, LLC, a(n) Illinois limited liability company ("Borrower"), is the legal title holder of the fee estate to certain real estate commonly known as Nancy Franco-Maldonado Paseo Boricua Arts Building, and located in Chicago, Illinois, legally described on **Exhibit A** attached to and made a part of this Agreement, and all easements and similar rights and privileges appurtenant to and in favor of such real estate (such fee estate in the real estate, easements, rights and privileges are collectively referred to in this Agreement as the "Real Estate"); the Real Estate and the improvements constructed on it are collectively referred to in this Indemnity as the "Development"; and

WHEREAS, Borrower desires to borrow an amount of Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000.00) ("Loan") from Lender for the acquisition, construction and permanent financing of the Development; each non-grammatical capitalized term not defined in this Agreement shall have the meaning ascribed to it in the Loan Agreement of an even date herewith by and between Borrower and Lender ("Loan Agreement"); Manager acknowledges receipt of a copy of the Loan Agreement; and

WHEREAS, the Loan is and will be evidenced by the Loan Documents; and

WHEREAS, Borrower and Manager have entered into a certain management agreement ("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;

UNOFFICIAL COPY

and

WHEREAS, in addition, Borrower executed and delivered an Assignment of Contracts, Licenses and Permits of even date herewith for the benefit of Lender ("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, Lender requires, as a condition precedent to its making of the Loan, that (i) the lien and security interests of the Mortgage 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 Loan, 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 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:

Leasing and Management Company, Inc.
5618 N. Milwaukee Avenue
Chicago, IL 60646

To Lender:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601

UNOFFICIAL COPY

Attention: Director, Multifamily Financing

with a copy to:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
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.

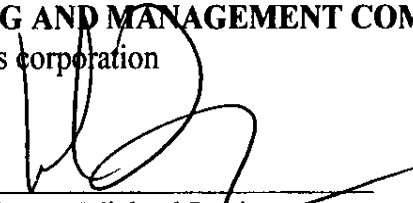
[SIGNATURE PAGE TO FOLLOW]

UNOFFICIAL COPY

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

MANAGER:

LEASING AND MANAGEMENT COMPANY, INC.
an Illinois corporation

By: 
Printed Name: Michael Levine
Title: President

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

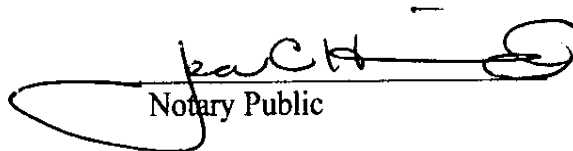
Property of Cook County Clerk's Office

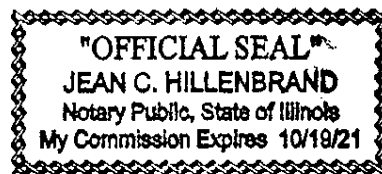
UNOFFICIAL COPY

STATE OF ILLINOIS)
)
COUNTY OF Cook) SS
)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Michael Levine, personally known to me to be the President of Leasing and Management Company, Inc. and 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/they signed and delivered the said instrument in his/her/their capacity as President of Leasing and Management Company, Inc., as his/her/their free and voluntary act and deed and as the free and voluntary act and deed of _____, for the uses and purposes therein set forth.

Given under my hand and official seal this 12th day of April 2021.


Notary Public



Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION

LOTS 4, 5, 6 AND 7 IN BLOCK 2 IN WETHERBEE AND GREGORY'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13, (EXCEPT THE EAST 100 FEET THEREOF), EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 16-01-400-017-0000; 16-01-400-016-0000; 16-01-400-015-0000; 16-01-400-014-0000

Commonly Known As: 2709-2715 West Division Street, Chicago, IL 60622

Property of Cook County Clerk's Office