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Doc# 2115933051 Fee \$88.00

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

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 06/08/2021 11:12 AM PG: 1 OF 7

This document prepared by
and after recording, return
to: Brent D. Butcher
Illinois Housing Development
Authority
111 E Wacker Dr. Ste 1000
Chicago, Illinois 60601
Property Identification No.:
See Attached Exhibit A
Property Address:
See Attached Exhibit A

Tax Exempt RS - 11988

SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 1st day of June, 2021, 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 ("Senior Lender") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Junior Lender", and together with Senior Lender, collectively, "Lender").

RECITALS:

WHEREAS, the Senior Lender has agreed to make a loan from the Risk Sharing Program in the amount of Twenty-Seven Million Six Hundred Thousand and No/100 Dollars (\$27,600,000.00) (the "Senior Loan"), to be used with other monies, if any, for the acquisition, rehabilitation and permanent financing of a multifamily housing development known as Morningside Court Apartments (the "Development") to be located on the real estate described on **Exhibit A** attached hereto and made a part hereof. The Senior Loan is secured by a mortgage dated as of the date hereof given by Borrower in favor of Senior Lender (the "Senior Mortgage") and certain other documents evidencing, securing and governing the Senior Loan. The Senior Mortgage and such other loan documents are collectively referred to in this Agreement as the "Senior Loan Documents"; and

WHEREAS, Junior Lender has agreed to make a loan to Borrower in the amount of Eighteen Million Two Hundred Thousand (\$18,200,000) (the "Junior Loan", and together with the Senior Loan, collectively, the "Loan") for the acquisition, rehabilitation and permanent financing of the Development, which Junior Loan is secured by a mortgage dated as of the date hereof given by Borrower in favor of Junior Lender (the "Junior Mortgage", and together with the Senior Mortgage, collectively, the "Mortgage"), and certain other documents evidencing, securing and governing the Junior Loan (such documents, together with the Junior Mortgage, collectively, the "Junior Loan Documents"; and together with the Senior Loan Documents, collectively, the "Loan Documents"); and

WHEREAS, Borrower and Manager have entered into a certain Management Agreement

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(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 (i) an Assignment of Contracts, Licenses and Permits of even date herewith for the benefit of Senior Lender (the "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, each Lender requires, as a condition precedent to its making of the Senior Loan and the Junior Loan, as applicable, 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 "Subordinated 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 each Lender to make the Senior Loan and the Junior Loan, as applicable, it is agreed as follows:

1. The foregoing recitals are incorporated in this Agreement.
2. The Subordinated 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:
 Related Management Company, L.P.
 423 West 55th Street, 9th Floor
 New York, New York 10019
 Attention: Lawrence Lipton, CFO

To Senior Lender:
 Illinois Housing Development Authority

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111 E. Wacker Drive, Suite 1000
 Chicago, Illinois 60601
 Attention: Managing Director for Multifamily Financing

with a copy to:
 Illinois Housing Development Authority
 111 E. Wacker Drive, Suite 1000
 Chicago, Illinois 60601
 Attention: General Counsel

To Junior Lender:
 Wells Fargo Bank, National Association
 Community Lending & Investment
 150 East 42nd Street, 36th Floor
 MAC #: 30161-367
 New York, NY 10017
 Attention: Page Travelstead
 Loan No: 1020157

with a copy to:
 Wells Fargo Bank CRE Loan Center
 100 North Main Street, 10th Floor
 MAC #: D4001-105
 Winston-Salem, North Carolina 27101
 Attn: Disbursement Administrator
 Loan No: 1020157

with a copy to:
 Sidley Austin LLP
 787 Seventh Avenue
 New York, New York 10019
 Attention: Aviva Yakren, Esq.

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 Senior Lender and Junior Lender and their respective successors and assigns.

5. Manager agrees to execute such further documents or instruments and take such

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further actions as either 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 any Lender (or any affiliate or designee of such 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), such 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.

9. For the avoidance of doubt, the Junior Mortgage shall continue to be subordinate to the Senior Mortgage and the liens and security interests created by the Junior Loan Documents are and shall continue to be subordinate to the liens and security interests created by the Senior Loan Documents and to any and all amendments, modifications, extensions, replacements or renewals of the Senior Loan Documents, and to any and all advances heretofore made or hereafter to be made under the Senior Loan Documents pursuant to their terms, all in accordance with that certain Subordination Agreement, dated as of the date hereof, by and between the Senior Lender and the Junior Lender.

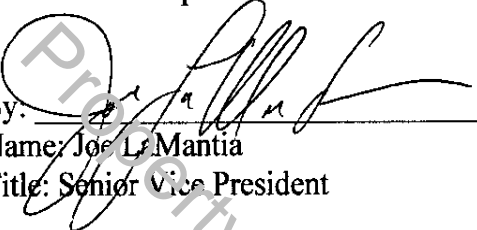
[SIGNATURE PAGE TO FOLLOW]

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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.
a New York Limited Partnership

By: **RCMP MANAGEMENT, INC.,**
its general partner
a New York corporation

By: 
Name: Joe LaMantia
Title: Senior Vice President

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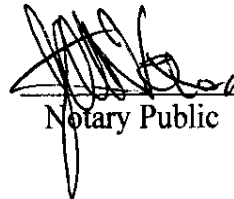
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STATE OF Illinois)
) SS
COUNTY OF Cook)

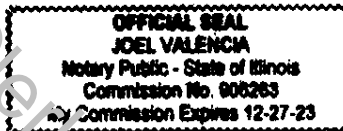
ACKNOWLEDGEMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that Joe Lamantia, the Senior Vice President of RCMP Management, Inc., a New York corporation, General Partner of RELATED MANAGEMENT COMPANY, L.P., a New York limited partnership, 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 signed and delivered the said instrument in his capacity as Senior Vice President of RCMP Management, Inc., as his free and voluntary act and deed and as the free and voluntary act and deed of RELATED MANAGEMENT COMPANY, L.P., for the uses and purposes therein set forth.

Given under my hand and official seal this 24 day of MAY, 2021.



Notary Public



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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

THE WEST 45 FEET OF LOT 24 AND ALL OF LOTS 25 THROUGH 31 INCLUSIVE IN W. D. PRESTON'S SUBDIVISION OF BLOCKS 4, 8 AND 9 TOGETHER WITH LOT 1 IN BLOCK 7 IN PARTITION OF THE EAST ½ OF THE NORTHWEST ¼ AND THE NORTHEAST FRACTIONAL ¼ OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 11-32-114-035-0000

Commonly known as: 1250 West Morse Avenue, Chicago, Illinois 60626

Property of Cook County Clerk's Office