

# UNOFFICIAL COPY



Doc# 2130029040 Fee \$88.00

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

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 10/27/2021 02:15 PM PG: 1 OF 7

This document prepared by  
and after recording, return  
to: Arieh Flemenbaum  
Illinois Housing Development Authority  
111 E. Wacker Dr., Ste 1000  
Chicago, Illinois 60601

Property Identification No.:  
See Exhibit A

Property Address:  
See Exhibit A

CA - 11693

## SUBORDINATION OF MANAGEMENT AGREEMENT

**THIS SUBORDINATION OF MANAGEMENT AGREEMENT** (this "Agreement") is made as of this 26th day of October, 2021 by **RELATED MANAGEMENT COMPANY, L.P.**, a New York limited partnership ("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").

41059516-15

### RECITALS:

**WHEREAS**, Lender has agreed to make a loan to Lathrop Homes IB, LP ("Borrower"), in the maximum principal amount of Six Million Three Hundred Thousand and No/100 Dollars (\$6,300,000.00) (the "Loan") for the permanent financing of a multifamily housing development known as Lathrop Homes IB (the "Development") to be located on the Borrower's interest in the leasehold estate in the real estate legally described on **Exhibit A** attached hereto and made a part hereof. The Loan is secured by that certain Leasehold Mortgage, Security Agreement and Assignment of Rents and Leases (Credit Advantage) dated as of the date hereof given by Borrower in favor of Lender (the "Mortgage") and certain other documents evidencing, securing and governing the Loan. The Mortgage 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 included an assignment of the Management Agreement; and

S Y  
P 7  
S Y-4  
SC \_\_\_\_\_  
INT W

# UNOFFICIAL COPY

**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:

Related Management Company, L.P.  
350 West Hubbard Street, Suite 100  
Chicago, IL 60654  
Attn: Joseph LaMantia, Senior Vice President

With a copy to:

Related Management Company, L.P.  
423 West 55<sup>th</sup> Street, 9<sup>th</sup> Floor  
New York, NY 10019  
Attn: Jonathan Callahan, General Counsel

# UNOFFICIAL COPY

To Lender:

Illinois Housing Development Authority  
111 East Wacker Drive, Suite 1000  
Chicago, Illinois 60601  
Attention: Managing Director for Multifamily Financing

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

With courtesy copies to:

Lathrop Homes IB, LP  
Lathrop Homes IB GP, LLC  
c/o Related Lathrop LLC  
350 W. Hubbard Street, Suite 300  
Chicago, Illinois 60654-5798  
Attention: Vice President – Affordable Housing

Lathrop Homes IB, LP  
Lathrop Homes IB GP, LLC  
c/o Bickerdike Lathrop, LLC  
2550 W. North Avenue  
Chicago, Illinois 60647  
Attention: Chief Executive Officer

Lathrop Homes IB, LP  
Lathrop Homes IB GP, LLC  
c/o Heartland Lathrop, LLC  
208 S. LaSalle Street, Suite 1300  
Chicago, Illinois 60604  
Attention: Executive Director

In connection with a courtesy copy, Lender will exercise reasonable efforts to provide copies of any notices given to Manager, the Lender's failure to furnish copies of such notices shall not limit the Lender's exercise of any of its rights and remedies under any document evidencing, securing or governing the Loan from the Lender to the Borrower, or affect the validity of the notice.

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

# UNOFFICIAL COPY

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 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, LLC,**  
a Delaware limited liability company,  
its Sole General Partner

By:   
Name: Jonathan Callahan  
Its: Vice President and General Counsel

STATE OF New York )

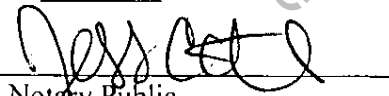
) SS

COUNTY OF New York )

## ACKNOWLEDGEMENT

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that Jonathan Callahan, Vice President and General Counsel of RCMP Management, LLC, the sole general partner (“General Partner”) of Related Management Company, L.P. (the “Partnership”), 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 signed and delivered the said instrument in his capacity as the Vice President and General Counsel of the General Partner of the Partnership, as his free and voluntary act and deed and as the free and voluntary act and deed of the General Partner on behalf of the Partnership for the uses and purposes therein set forth.

Given under my hand and official seal this 22<sup>nd</sup> day of October, 2021.

  
Notary Public

JESSICA COTE  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01CO6361584  
Qualified in New York County  
My Commission Expires 07-10-2025

# UNOFFICIAL COPY

## EXHIBIT A

### PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LESSOR, AND BICKERDIKE REDEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION AND HEARTLAND HOUSING, INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION AS LESSEE, DATED OCTOBER 26, 2021, WHICH LEASE, RECORDED CONCURRENTLY HEREWITH, AND ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE FROM BICKERDIKE REDEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION AND HEARTLAND HOUSING, INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION TO LATHROP HOMES IB, LP, AN ILLINOIS LIMITED PARTNERSHIP DATED OCTOBER 26, 2021, RECORDED CONCURRENTLY HEREWITH, WHICH LEASE DEMISES THE FOLLOWING DESCRIBED LAND FOR A TERM OF 99 YEARS BEGINNING OCTOBER 26, 2021, AND ENDING OCTOBER 25, 2120:

### Tract A:

THAT PART OF LOTS 3 AND 4, IN DIVERSEY CLYBOURN INDUSTRIAL AND COMMERCIAL DISTRICT, BEING AN OWNER'S DIVISION IN THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 17, 1929 AS DOCUMENT NUMBER 10373658, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF DIVERSEY PARKWAY WITH THE SOUTHWESTERLY LINE OF N. CLYBOURN AVENUE, AS DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES, RECORDED MAY 25, 1937 AS DOCUMENT NO. 12002816; THENCE SOUTH 88 DEGREES 39 MINUTES 10 SECONDS WEST ALONG THE NORTH LINE OF SAID DIVERSEY PARKWAY 212.53 FEET; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST, 422.90 FEET; THENCE NORTH 43 DEGREES 37 MINUTES 39 SECONDS EAST, 150.00 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVE.; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 183.59 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 132.49 FEET; THENCE SOUTH 43 DEGREES 36 MINUTES 01 SECONDS WEST, 61.21 FEET; THENCE SOUTH 46 DEGREES 23 MINUTES 48 SECONDS EAST, 27.96 FEET; THENCE SOUTH 43 DEGREES 34 MINUTES 39 SECONDS WEST, 58.67 FEET; THENCE NORTH 46 DEGREES 36 MINUTES 04 SECONDS WEST, 76.44 FEET; THENCE SOUTH 43 DEGREES 35 MINUTES 44 SECONDS WEST 32.25 FEET; THENCE SOUTH 46 DEGREES 22 MINUTES 10 SECONDS EAST 6.00 FEET; THENCE SOUTH 43 DEGREES 38 MINUTES 09 SECONDS WEST, 15.00 FEET; THENCE SOUTH 46 DEGREES 21 MINUTES 53 SECONDS EAST 168.94 FEET; THENCE NORTH 43 DEGREES 34 MINUTES 41 SECONDS EAST, 15.66 FEET; THENCE SOUTH 46 DEGREES 25 MINUTES 18 SECONDS EAST, 6.00 FEET; THENCE NORTH 43 DEGREES 36 MINUTES 13 SECONDS EAST, 152.40 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVENUE, AND THE POINT OF BEGINNING, LYING ABOVE AN ELEVATION OF 6.00 FEET CITY OF CHICAGO DATUM, IN COOK COUNTY, ILLINOIS.

For informational purposes only:

Commonly known as 2890-2904 North Clybourn Avenue, Chicago, IL 60618;

PIN No. 14-30-123-009.

# UNOFFICIAL COPY

Tract B:

THAT PART OF LOT 12 IN THE SNOW ESTATE SUBDIVISION BY THE SUPERIOR COURT OF COOK COUNTY, ILLINOIS, IN PARTITION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 29, 1873, AS DOCUMENT NUMBER 80819, LYING NORTH AND EAST OF THE NORTH BRANCH OF THE CHICAGO RIVER; EXCEPTING THEREFROM THAT PART VACATED BY ORDINANCE RECORDED FEBRUARY 21, 1940 AS DOCUMENT NUMBER 12438633; ALSO EXCEPTING THEREFROM THAT PART DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES PER DOCUMENT RECORDED MAY 25, 1937 AS DOCUMENT NUMBER 12002816, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF N. HOYNE AVENUE AS DEEDED TO THE CITY OF CHICAGO MAY 25, 1937 AS DOCUMENT NUMBER 12002816 AND THE SOUTH LINE OF W. DIVERSEY PARKWAY BEING 40.00 FEET SOUTH OF THE CENTERLINE OF SAID W. DIVERSEY PARKWAY; THENCE NORTH 88 DEGREES 39 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE OF W. DIVERSEY PARKWAY 117.64 FEET; THENCE SOUTH 46 DEGREES 16 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE 32.67 FEET TO THE WEST LINE OF NORTH DAMEN AVENUE; THENCE SOUTH 1 DEGREE 49 MINUTES 22 SECONDS WEST ALONG SAID WEST LINE 77.74 FEET; THENCE SOUTH 5 DEGREES 15 MINUTES 16 SECONDS WEST ALONG SAID WEST LINE 38.77 FEET; THENCE SOUTH 5 DEGREES 47 MINUTES 19 SECONDS WEST ALONG SAID WEST LINE 54.27 FEET; THENCE SOUTH 88 DEGREES 21 MINUTES 55 SECONDS WEST 113.69 FEET TO THE EAST LINE OF SAID N. HOYNE AVENUE; THENCE NORTH 1 DEGREE 47 MINUTES 55 SECONDS WEST 193.74 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

For informational purposes only:

Commonly known as 2747-2759 North Hoyne Avenue, Chicago, IL 60647;

PIN No. 14-30-302-026.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 AND PARCEL 2 AS SET FORTH AND DEFINED IN THE DECLARATION OF CROSS ACCESS EASEMENT AND PARKING AGREEMENT FOR THE LATHROP HOMES CAMPUS RECORDED CONCURRENTLY HERewith.