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RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Jennifer A. Bojorquez, Esquire
Troutman Pepper Hamilton Sanders LLP
P.O. Box 1122
Richmond, VA 23218



Doc# 2230022031 Fee \$63.00

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

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 10/27/2022 11:43 AM PG: 1 OF 7

SPACE ABOVE LINE FOR
RECORDER'S USE

FHLMC Loan Number: 932960219
Development Name: Belmont Place

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is effective as of the 25th day of October, 2022 by **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, a body politic and corporate, having its principal office at 111 E. Wacker Drive, Suite 1000 ("Authority") for the benefit of **CAPITAL ONE, NATIONAL ASSOCIATION**, a national banking association, having an address at 2 Bethesda Metro Center, 10th Floor, Bethesda, Maryland 20814 ("Lender").

RECITALS:

A. **BELMONT VILLAGE L.P.**, an Illinois limited partnership ("Borrower"), is concurrently herewith refinancing a loan secured by certain improved real property located in the County of Cook, Illinois and more particularly described on Exhibit A attached hereto ("Development").

B. In connection with the construction and development of the Property, Borrower entered into that certain Regulatory and Land Use Restriction Agreement dated as of September 23, 1999, as amended ("Regulatory Agreement") and recorded on September 24, 1999 as Document No. 99906585 of the Cook County Recorder of Deeds ("Official Records"), pursuant to which the Development was subjected to certain use restrictions in connection with the Illinois Affordable Housing Program, as that program is authorized by the Illinois Affordable Housing Act, 310 ILCS 65/1 *et seq.* and administered by Authority.

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C. Lender is making a loan to Borrower in the original principal amount of \$3,178,000.00 ("**Loan**") pursuant to a Multifamily Loan and Security Agreement between Lender and Borrower dated as of October 25, 2022 ("**Closing Date**") (as supplemented or amended from time to time, the "**Loan Agreement**") and evidenced by a Multifamily Note by Borrower to Lender dated as of even date therewith (as supplemented or amended from time to time the "**Note**"). The Loan is secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement which will be recorded among the Official Records immediately prior hereto (as supplemented or amended from time to time, the "**Mortgage**") (the Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the "**Loan Documents**"). The Loan Documents will be assigned by Lender to Federal Home Loan Mortgage Corporation and an Assignment of Security Instrument will be recorded among the Official Records.

D. As a condition to making the Loan, Lender required that the rights of Lender under the Loan Documents be superior to the Authority's Additional Rights (defined below) under the Regulatory Agreement.

E. Borrower and the Authority hereby agree to subordinate the Authority's Additional Rights under the Regulatory Agreement on and subject to the terms, conditions and requirements set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. **Subordination of Additional Rights.** Authority hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Authority's Additional Rights (defined below) under the terms of the Regulatory Agreement are and shall at all times continue to be, subordinate, subject and inferior to the rights of Lender under the Loan Documents. "**Additional Rights**" means the Authority's rights pursuant to the terms of Section 7.b. (take possession and operate Development), Section 7.c. (collect rents in connection with operation of the Development and use collections to pay Borrower obligations and Development expenses), Section 7.d. (but only as to appointment of a receiver to take over and operate the Development), Section 7.e (other rights and remedies) and Section 4.b. (approve the conveyance, assignment, or transfer any right to manage or receive the rents and profits from the Development). For purposes of clarification, Authority's right pursuant to Section 7.d. to apply to any court for specific performance of the Regulatory Agreement or for an injunction against any violation of the Regulatory Agreement is not subordinated by this Agreement.

3. **Financing, Encumbrance and Transfer Approval.** Authority hereby approves the financing evidenced by the Mortgage, the appointment of Carefree Management, LLC, an Illinois limited liability company, as replacement management agent for the Development ("**Management Agent**") and the Property Management Agreement dated as of the Closing Date between Borrower and Management Agent. Authority further agrees that any transfer of the

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Development in connection with foreclosure, deed in lieu of foreclosure, or transfer by Lender or subsequent holder of the Note following a deed in lieu of foreclosure shall not require Authority's consent so long as the transferee assumes the duties and obligations of the Borrower under the Regulatory Agreement in form and substance acceptable to the Authority.

4. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Lender nor any successor in interest to Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Lender, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Lender. Lender shall indemnify the Authority following acquisition of the Development by Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan, during, and only during, any ensuing period that Lender owns and operates the Development, provided that Lender's liability shall be strictly limited to acts and omissions of Lender occurring during the period of ownership and operation of the Development by Lender. Lender shall have no indemnification obligations with respect to the Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Lender.

5. Reserved.

6. Fees; Penalties. Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Development prior to the date of acquisition of the Development by Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan.

7. Amendment of Regulatory Agreement. For so long as the Loan is outstanding, Borrower and the Authority shall not further amend the Regulatory Agreement, with the exception of clerical errors or administrative correction of non-substantive matters, without the prior written consent of Lender. Except as specifically referenced herein, nothing in this Agreement is intended or shall be deemed to modify, nullify, alter, prevent, delay, impair, restrict, or preclude the Authority's right to enforce all restrictive covenants derived under the Regulatory Agreement referenced herein.

8. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with regard to the subordination of the Authority's Additional Rights to the rights of Lender under the Loan Documents, and shall supersede and cancel any prior agreements with regard to this subject matter.

9. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective

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parties to this Agreement. This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties hereto, which shall include with regard to the Authority any permitted successor or assign of the Authority under or pursuant to the terms of the Regulatory Agreement and, with regard to Lender, any subsequent holder of the Note. No other party will be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.

10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

11. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

12. Valid Authorization. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

13. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

14. Refinancing. Authority agrees that its agreement to subordinate hereunder will extend to any new mortgage debt which is for the purpose of refinancing all or any part of the indebtedness evidenced by the Loan Documents (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation transaction); and that all the terms and covenants of this Agreement will inure to the benefit of any holder of any such refinanced debt; and that all references to the Loan Documents and Lender will mean, respectively, the refinance loan documents and the holder of such refinanced debt.

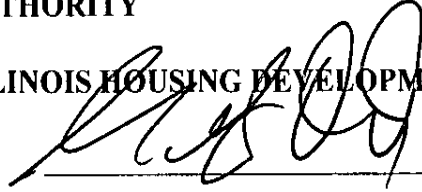
[Remainder of page intentionally left blank; signature pages follow.]

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

AUTHORITY

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

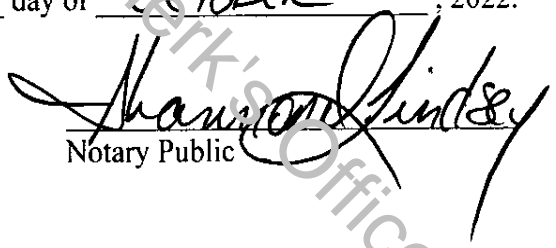
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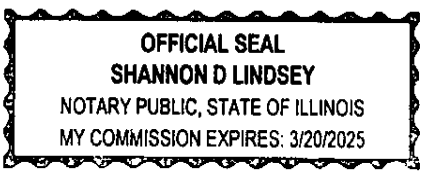
Printed: Maureen G. Ohle
Its: General Counsel

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Maureen G. Ohle, personally known to me to be the General Counsel of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, 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 she signed and delivered the said instrument in her capacity as the General Counsel of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** as her free and voluntary act and deed and as the free and voluntary act and deed of **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, for the uses and purposes therein set forth.

Given under my hand and official seal this 14th day of OCTOBER, 2022.



Notary Public



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LENDER:

CAPITAL ONE, NATIONAL ASSOCIATION, a national banking association

By: 
Douglas C. Blake
Senior Vice President

STATE OF Maryland

CITY/COUNTY OF Montgomery, to-wit:

The foregoing instrument was acknowledged before me in the above-stated jurisdiction this 13th day of September, 2022 by Douglas C. Blake who is Senior Vice President of Capital One, National Association, a national banking association, for and on behalf of the national banking association.


Notary Public

My commission expires: 10/21/2025

Beatris X. Carballo
Notary Public
Montgomery County
Maryland
My Commission Expires 10/21/2025

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EXHIBIT A

Legal Description

PARCEL 1:

LOTS 1, 2, AND 3 (EXCEPT THE WEST 6/10 FEET OF LOT 3) IN KOESTER AND ZANDER'S SECTION LINE SUBDIVISION OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 85 THROUGH 94, INCLUSIVE, IN KOESTER AND ZANDER'S SECTION LINE SUBDIVISION OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Pin: 13-27-102-002-0000
13-27-102-003-0000
13-27-102-004-0000
13-27-102-005-0000
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