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Karen A. Yarbrough  
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Date: 01/20/2023 03:50 PM Pg: 1 of 7



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## Subordination of Management Agreement

Cook County, IL

Illinois Housing Development Authority

Realty & Mortgage Co.

Effective Date: January 19, 2023

This instrument was prepared by Michael B. Reichert, Attorney-at-Law, Dinsmore & Shohl, LLP 211 North, Pennsylvania St. Ste 1800, Indianapolis, IN 46204

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**THIS INSTRUMENT WAS PREPARED BY  
AND AFTER RECORDING RETURN TO:**

Illinois Housing Development Authority  
111 East Wacker Drive, Suite 1000  
Chicago, Illinois 60601  
Attention: Brent D. Butcher

Property Address:  
See Attached Exhibit A

Property Identification No(s):  
See Attached Exhibit A

1602-10342

## SUBORDINATION OF MANAGEMENT AGREEMENT

**THIS SUBORDINATION OF MANAGEMENT AGREEMENT** (this "Agreement") is made as of this 19th day of January, 2023 by **REALTY & MORTGAGE CO.**, an Illinois corporation ("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 ("Grantor").

### RECITALS:

**WHEREAS**, O'Keefe Apartments Owner LLC, an Illinois limited liability company ("Grantee"), is the legal title holder of the fee estate to certain real estate commonly known as O'Keefe Apartments, 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 Agreement as the "Development"; and

**WHEREAS**, Grantor previously awarded a grant in the amount of One Million Three Hundred Thousand and No/100 Dollars (\$1,300,000.00) ("Grant") and awarded Federal Tax Credits ("Tax Credits") to O'Keefe Mulford, LLC ("Previous Owner") for the acquisition, rehabilitation and permanent financing of the Development; the Grantee assumed the Previous Owner's obligations associated with the Grant and the Tax Credits pursuant to an Assignment and Assumption of Restrictive Covenants, Project Documents and Amendment of Mortgage Note dated January 10, 2023 ("Assignment and Assumption"); and

**WHEREAS**, Grantee 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; and

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**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**, Grantor requires, as a condition precedent to the Assignment and Assumption, that the lien and security interests of the Junior Mortgage, Security Agreement and Assignment of Rents and Leases dated December 1, 2010 ("Mortgage") and the other Grant 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").

**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 Grantor to permit the Assignment and Assumption, 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 other Grant 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:

Realty & Mortgage Co.  
1509 West Berwyn Avenue, Suite 200  
Chicago, Illinois 60604  
Attention: Harold Rider Sr.

To Lender:

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

with a copy to:

Illinois Housing Development Authority  
111 East Wacker Drive, Suite 1000

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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 Grantor and its successors and assigns.

5. Manager agrees to execute such further documents or instruments and take such further actions as Grantor 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 Grantor (or any affiliate or designee of Grantor) 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), Grantor 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. 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]

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

**MANAGER:**

**REALTY & MORTGAGE CO.,**  
an Illinois corporation

By:   
Printed Name: Hugh Rider  
Title: Co-President

Property of Cook County Clerk's Office

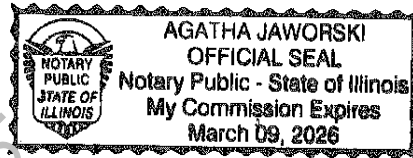
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STATE OF ILLINOIS    )  
   ) SS  
 COUNTY OF Cook    )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Hugh Rider, personally known to me to be the Co-President of Realty & Mortgage Co 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 Co-President of Realty & Mortgage Co, as his/her/their free and voluntary act and deed and as the free and voluntary act and deed of Hugh Rider, for the uses and purposes therein set forth.

Given under my hand and official seal this 5th day of January, 2023.

Agatha Jaworski  
 Notary Public



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## EXHIBIT A

### LEGAL DESCRIPTION

**PARCEL 1:**

LOT 13 (EXCEPT THE EAST 17 1/2 FEET THEREOF) AND ALL OF LOTS 14 AND 15 IN BLOCK 1 IN THE RESUBDIVISION OF BLOCKS 10 AND 11 AND PART OF BLOCK 12 IN SOUTH SHORE DIVISION NO. 5, BEING A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID(s): 20-24-425-001-0000

7001, 7009 S. Paxton Ave. 2201-05 E. 70th St., Chicago, IL 60649

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**PARCEL 2:**

LOTS 1 AND 2 IN L. J. KELLEY'S SUBDIVISION OF BLOCK 2 IN COMMISSIONER'S PARTITION BEING A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID(s): 20-24-422-013-0000

7000-08 S. Clyde Ave. and 2049-2051 E. 70th St., Chicago, IL 60649

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**PARCEL 3:**

LOT 100 IN THE FIRST ADDITION TO BRYN MAWR HIGHLANDS BEING A SUBDIVISION OF THE NORTH THREE QUARTERS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE WEST 500 1/2 FEET THEREOF AND EXCEPT BRYN MAWR HIGHLANDS SUBDIVISION AND EXCEPT EAST 67TH STREET AND EAST 68TH STREET HERETOFORE DEDICATED), IN COOK COUNTY, ILLINOIS.

Parcel ID(s): 20-24-415-012-0000

6900-02 South Clyde Ave. and 2049-2059 East 69th Street, Chicago, IL 60649

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**PARCEL 4:**

LOT 13 AND THE SOUTH 1/2 OF LOT 12 IN BLOCK 2 IN SOUTH KENWOOD A RESUBDIVISION OF BLOCKS 2, 7 AND 8 IN GEORGE W. CLARKE'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 WITH PART OF B3 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 ALL IN SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID(s): 20-25-108-018-0000

7150 S. Euclid Ave., Chicago, IL 60649

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**PARCEL 5:**

LOTS 6 AND 7 IN SUBDIVISION OF THE WEST HALF OF THE SOUTH THREE-FIFTHS OF LOT 3 IN GEORGE W. CLARKE'S SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID(s): 20-25-107-020-0000

7152-56 South Bennett Ave. and 1834 -42 East 72nd Street, Chicago, IL 60649