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THIS INSTRUMENT WAS PREPARED
 BY AND AFTER RECORDING RETURN
 TO: Richard B. Muller,
 Illinois Housing Development
 Authority
 401 N. Michigan Ave., Ste. 900
 Chicago, Illinois 60611
 Permanent Tax Index
 Identification No.:
 14-05-210-007
 Property Address:
 6133 North Kenmore
 Chicago, Illinois

97974752

DEPT-01 RECORDING \$37.00
 T40009 TRAN 0829 12/29/97 11:13:00
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 COOK COUNTY RECORDER

SUBORDINATION OF EXTENDED USE AGREEMENT

THIS SUBORDINATION OF EXTENDED USE AGREEMENT (this "Agreement") is made and entered into this 23rd day of December, 1997, by 6133 NORTH KENMORE LIMITED PARTNERSHIP, an Illinois limited partnership (the "Owner"), having its principal offices located at 350 W. Hubbard Street, Suite 301, Chicago, Illinois, for the benefit of LASALLE NATIONAL BANK, having its principal offices located at 135 S. LaSalle Street, Chicago, Illinois (the "Lender"), and is consented to by the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate of the State of Illinois established by and existing pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq. (1996), as amended from time to time (the "Authority"), having its principal offices at 401 N. Michigan Avenue, Suite 900, Chicago, Illinois 60611.

RECITALS

A. The Owner is the fee owner of that certain real property located in the City of Chicago, Illinois, as more particularly described on Exhibit A attached to and made a part of this Agreement (the "Real Estate").

B. The Owner is rehabilitating a multi-family housing development on the Real Estate; the Real Estate and the improvements constructed on it are referred to in this Agreement as the "Development".

C. The Owner has received from the Authority, as the state housing credit agency for the State of Illinois, a reservation of low-income housing tax credits ("Tax Credits") for the Development.

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D. The Owner and the Authority have entered into that certain Extended Use Agreement dated December 23, 1997, which sets forth certain occupancy and rent restrictions affecting the Development (the "Extended Use Agreement"), which Extended Use Agreement recorded as Document No. 97974747 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Official Records"), as required by Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, "Section 42").

E. Section 42(h)(6)(E)(ii), which is incorporated in Section D(5) of the Extended Use Agreement, requires that the Extended Use Agreement, and the occupancy and rental restrictions contained in it, will be terminated due to a transfer of the Development to a lender as a result of a foreclosure or a deed-in-lieu of foreclosure or similar instrument (unless the Secretary determines that such acquisition is part of an arrangement with the taxpayer a purpose of which is to terminate such period), provided that the following shall not be permitted before the close of the three (3) year period following such termination:

- (a) the eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit, or
- (b) any increase in the gross rent of such unit not otherwise permitted under Section 42 (collectively, the "Surviving Provisions").

In addition Section E(2) of the Extended Use Agreement, including the provision providing for attorneys' fees, shall remain in full force to provide a means for the Authority and any Qualifying Tenants as defined in the Extended Use Agreement to enforce the Surviving Provisions.

F. The Lender has agreed to make a loan in the amount of Eight Hundred and No/100 Dollars (\$800,000.00) (the "Loan") to the Owner for the acquisition, rehabilitation and permanent financing of the Development. The Loan will be evidenced by a note (the "Note") in favor of the Lender dated of even date herewith and secured by a mortgage on the Development in favor of the Lender dated of even date herewith, which will be recorded among the Official Records (the "Mortgage") (the Note, the Mortgage and any and all other documents evidencing, securing and governing the Loan are referred to in this Agreement as the "Loan Documents").

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G. As a condition to making the Loan, the Lender requires that the Loan Documents be a lien on the Development superior to the lien of the Extended Use Agreement. The Lender will not make the Loan unless the Authority and the Owner agree to subordinate the Extended Use Agreement.

NOW, THEREFORE, in consideration of the recitals set forth and other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.
2. Subordination. The Authority subjects and subordinates the liens, claims and charges of the Extended Use Agreement to the liens, claims and charges of the Loan Documents.
3. Surviving Provisions. Notwithstanding anything to the contrary in this Agreement, the Lender agrees that the Surviving Provisions shall at all times remain superior to the lien of the Loan Documents. If the Development is transferred to the Lender as a result of a foreclosure or deed-in-lieu of foreclosure or similar instrument, the Surviving Provisions shall survive such transfer and shall remain binding on the Lender, its successors and assigns.
4. Limitation. This Agreement is not intended and shall not be construed to subordinate the Extended Use Agreement to any mortgage, deed of trust or other security document other than those referred to in this Agreement securing the indebtedness of the Lender.
5. Obligations of the Lender. In consideration of the Authority's agreements contained in this Agreement, the Lender agrees that in the event of any default by the Owner under the Loan Documents, the Authority shall be entitled to receive a copy of any notice of default given by the Lender to the Owner relating to the Loan.
6. Authority's Rights. Nothing in this Agreement is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of the Authority under the Extended Use Agreement in the event of any failure by the Owner to abide by any of the terms, covenants or conditions of the Extended Use Agreement.
7. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with

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regard to the subordination of the Extended Use Agreement, and shall supersede and cancel any prior agreements with regard to this subject matter.

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

9. Assignment. 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.

10. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Illinois, exclusive of its conflict of laws provisions.

11. Notices. 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 above, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested. 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.

12. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their authorized representatives as of the day and year first above written.

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THE OWNER:

6133 NORTH KENMORE LIMITED
PARTNERSHIP

By: 6133 North Kenmore
Corporation, an Illinois
corporation, general partner

By: *Kenneth L. Rice*
Printed Name: Kenneth L. Rice
Title: Vice President

THE LENDER:

LASALLE NATIONAL BANK

By: *Ramona Gordon*
Printed Name: Ramona Gordon
Its Asst. Vice President

ATTEST:

By: _____
Printed Name: _____
Its _____

THE AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT
AUTHORITY

By: *Michael P. Rose*
Printed Name: MICHAEL P. ROSE
Its Deputy Director

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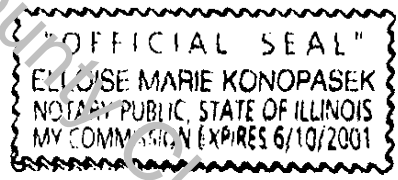
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Michael P. Rose, personally known to me to be the Deputy Director of the 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 he signed and delivered the said instrument in his capacity as Deputy Director of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY as his free and voluntary act and deed and as the free and voluntary act and deed of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY for the uses and purposes therein set forth.

Given under my hand and official seal this 23RD day of December, 1997.

Ellise Marie Konopasek

Notary Public



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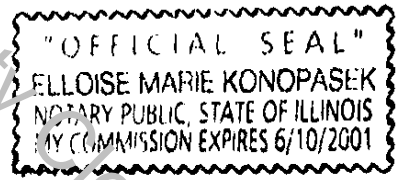
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that James J. [unclear], personally known to me to be the Assistant Secretary of LASALLE NATIONAL BANK, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacity as James J. [unclear] of LASALLE NATIONAL BANK, as their free and voluntary act and deed and as the free and voluntary act and deed of LASALLE NATIONAL BANK, for the uses and purposes therein set forth.

Given under my hand and official seal this 24th day of December, 1997.

Elloise Marie Konopasek
Notary Public



Notary Public, State of Illinois
Clerk's Office

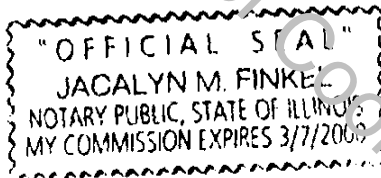
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Kenneth L. Dice, personally known to me to be the Vice President of 6133 NORTH KENMORE CORPORATION, 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 signed and delivered the said instrument in his capacity as Vice President of 6133 NORTH KENMORE CORPORATION, as his free and voluntary act and deed and as the free and voluntary act and deed of 6133 NORTH KENMORE CORPORATION, as general partner of 6133 North Kenmore Limited Partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 23rd day of December, 1997.



Jacalyn M. Finkel
Notary Public

County Clerk's Office

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EXHIBIT A

Legal Description

Lot 22 in Block 10 of Cochran's Second Addition to Edgewater in the East Fractional ½ of Section 5, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Common Address: 6133 North Kenmore, Chicago, Illinois
Permanent Index No.: 14-05-210-007-0000

Property of Cook County Clerk's Office

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