



00533012

This instrument was prepared by, and after recording, return to:

Dennis M. Wilson  
Lord, Bissell & Brook  
115 South LaSalle St.  
34th Floor  
Chicago, IL 60603

Address:  
335-57 Ridge Road  
Wilmette, IL 60091

Permanent Real Estate  
Tax Index No.: 05-33-301-058 Vol. 108

SUBORDINATION OF MANAGEMENT AGREEMENT

Re: Wil-Ridge Plaza

THIS SUBORDINATION OF MANAGEMENT AGREEMENT ("**Agreement**") is made and delivered by DEAN PAPPAS ASSOCIATES, INC. ("**Manager**") to and for the benefit of THE PRIVATE BANK AND TRUST COMPANY, an Illinois bank ("**Lender**").

RECITALS

Wil-Ridge Plaza L.L.C., an Illinois limited liability company ("**Borrower**"), is the owner of certain real estate legally described in Exhibit A attached hereto (the "**Property**"), commonly known as 335-57 Ridge Road, Wilmette, Illinois.

Manager and Borrower have entered into an oral management agreement with respect to the Property (the "**Management Agreement**"), whereby Manager has agreed to furnish services for the rental, operation and management of the Property in exchange for certain payments to Manager for its services.

Pursuant to certain provisions of the Illinois Compiled Statutes, as amended, property managers have lien rights under the Mechanic's Lien Act for expenses incurred for the management of any structure.

Lender has agreed to make a mortgage loan (the "**Loan**") in an amount of Two Million Two Hundred Thousand and no/100 Dollars (\$2,200,000.00) to Borrower. The Loan shall be

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evidenced by a certain Mortgage Note (the "Note") dated as of even date herewith made by Borrower to the order of Lender in the principal Amount of the Loan. The Note is secured, among other things, by a Mortgage and Security Agreement (the "Mortgage") of even date with the Note made by Borrower in favor of Lender and certain other documents and instruments referred to therein (collectively, the "Loan Documents").

Lender requires as a condition to its making the Loan, that the indebtedness evidenced by the Note and the lien and security interest of the Mortgage and other Loan Documents be paramount and prior to any and all obligations, expenses and indebtedness only to Manager which arise from the Management Agreement (collectively, the "Junior Liabilities") and any and all existing liens or future rights to liens of Manager or anybody claiming by, through or under Manager which arise from the Junior Liabilities (collectively, the "Junior Liens").

ACCORDINGLY, in consideration of the mutual covenants made herein and of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Lender to make disburse the proceeds of the Loan, it is hereby agreed as follows:

1. The Junior Liabilities and Junior Liens are hereby subordinate to each and every one of the Note, the Mortgage, and the Loan Documents and all indebtedness, liabilities and obligations of any kind whatsoever (whether now existing or hereafter arising and regardless of the aggregate amount thereof) owing by the Borrower to Lender with respect to the Property (collectively, the "Senior Liabilities").

2. The payment of all Junior Liabilities shall be subordinated to the payment in full of all Senior Liabilities. No payment in respect of any Junior Liabilities shall be made at any time on or after the date Manager has been notified by Lender of any default in the payment or performance of any of the Senior Liabilities. In the event Manager receives any such payment, the same shall be received in trust for Lender and immediately turned over by Manager to Lender.

3. Any notices which may be given hereunder shall be deemed given if personally delivered or mailed by United States certified or registered mail, return receipt requested, properly addressed as follows:

To Manager: Dean Pappas Associates, Inc.  
64 Crescent Drive  
Glencoe, IL 60022  
Attention: Mr. Dean Pappas

To Lender: The Private Bank and Trust Company  
Ten North Dearborn St.  
Chicago, IL 60602  
Attention: Mr. Mark Kosiek

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4. This Agreement shall be binding upon Manager, its successor and assigns.
5. Manager agrees to execute such further documents or instruments and take such further actions as Lender may reasonably request from time to time to carry out the intent of this Agreement.
6. This Agreement shall be construed in accordance with and governed by the substantive 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.
7. MANAGER AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG THE UNDERSIGNED AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS DOCUMENT, ANY LOAN DOCUMENT OR ANY OTHER RELATED DOCUMENT, OR ANY RELATIONSHIP BETWEEN THE LENDER AND THE MANAGER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE LOAN.

Dated: July 17, 2000

MANAGER:

Dean Pappas Associates, Inc.,  
an Illinois corporation

By: \_\_\_\_\_

Dean Pappas, President

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STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Dean Pappas, the President of Dean Pappas Associates, Inc. ("Manager") 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 as his own free and voluntary act and as the free and voluntary act of Manager, for the uses and purposes therein set forth.

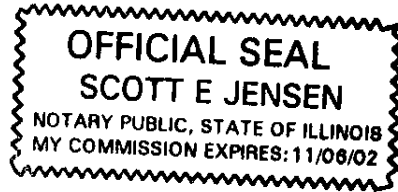
Given under my hand and Notarial Seal this 17<sup>th</sup> day of July, 2000.



NOTARY PUBLIC

[SEAL]

My Commission Expires \_\_\_\_\_, 19\_\_



Property of Cook County Clerk's Office

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## EXHIBIT A

### PARCEL 1:

LOT 1 IN HYLAND'S SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 33, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 CREATED BY AGREEMENT BETWEEN PETER J. HUERTER POST NUMBER 669 OF THE AMERICAN LEGION AND CHICAGO NATIONAL BANK AS TRUSTEE UNDER TRUST NUMBER 15964 DATED OCTOBER 29, 1959 AND RECORDED OCTOBER 29, 1959 AS DOCUMENT NUMBER 17699113 AND RECORDED DECEMBER 11, 1959 AS DOCUMENT NUMBER 17733217 FOR INGRESS AND EGRESS BY VEHICLE OR BY FOOT FOR A PERIOD OF 49 YEARS OVER THE FOLLOWING REAL ESTATE; THAT PART OF LOT 16 IN COUNTY CLERK'S DIVISION OF THE WEST 1/2 OF SECTION 33, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE INTERSECTION OF THE SOUTH LINE OF THE NORTH 212 FEET (AS MEASURED ALONG THE EAST LINE) OF SAID LOT 16 AND THE WEST LINE OF THE EAST 286.68 FEET OF SAID LOT 16; THENCE NORTH 212 FEET ALONG THE WEST LINE OF THE EAST 286.68 FEET TO THE NORTH LINE OF SAID LOT 16; THENCE WEST ALONG THE SAID NORTH LINE TO THE SOUTHEASTERLY LINE OF WILMETTE AVENUE SAID SOUTHEASTERLY LINE BEING A LINE 33 FEET SOUTHEASTERLY OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL TO THE CENTER LINE OF WILMETTE AVENUE; THENCE SOUTHWESTERLY ALONG THE SAID SOUTHEASTERLY LINE, 12 FEET; THENCE SOUTHEASTERLY AT RIGHT ANGLES TO THE SAID SOUTHEASTERLY LINE OF WILMETTE AVENUE TO A POINT OF INTERSECTION WITH THE WEST LINE OF THE EAST 295.91 FEET OF SAID LOT 16; THENCE SOUTH ALONG THE SAID WEST LINE TO THE SOUTH LINE OF THE NORTH 212 FEET (AS MEASURED ALONG THE EAST LINE) OF LOT 16; THENCE EAST ALONG THE SAID SOUTH LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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