



Doc#: 0616510131 Fee: \$34.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 06/14/2006 01:56 PM Pg: 1 of 6

This document prepared by
and after recording, return
to: Peter Nicholson
Cook County Department of Planning and Development
69 West Washington, Suite 2900
Chicago, Illinois 60602

Property Address:
136 East 155th Street
Harvey, Illinois 60426

SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 13th day of June, 2006 by Anchor Realty Group, Inc. an Illinois corporation with offices at 939 West Lake Street Chicago, IL ("Property Manager"), to and for the benefit of the County of Cook, a body politic and corporate of the State of Illinois, ("Lender or the County").

RECITALS:

WHEREAS, Lender has agreed to allow Anchor Group, LTD of Illinois, an Illinois corporation("Borrower"), to assume a loan in the maximum principal amount of One Million Two Hundred Twenty Thousand Five Hundred Eight and no/100 Dollars (\$1,220,508.00) (the "Loan") in order to protect the affordability term concerning a multifamily housing development (the "Development") which is located on the real estate described on **Exhibit A** attached hereto and made a part hereof. The Loan is secured by that certain Amendment to the Junior Mortgage ("Mortgage"), Security Agreement and Junior Assignment of Rents and Leases dated as of the date hereof given by Borrower in favor of Lender (the "Mortgagee") and certain other loan documents governing the Loan as so defined in said documents. The Amended Mortgage and such other loan documents are collectively referred to in this Agreement as the "Loan Documents"; and

WHEREAS, Owner has requested Property Manager to furnish services for the rental, operation and management of the Development in exchange for certain payments to Property Manager for its services and the payment of expenses incurred by Property

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Box 334

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Manager in connection with such services via either an oral or written agreement (the "Management Agreement"); and

WHEREAS, pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/0.1 *et seq.*, as amended from time to time, property 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 the lien and security interests of the Mortgage and the other Loan Documents, subject to the first lien of Park National Bank, be paramount, superior and prior to any and all existing liens or future rights to liens of Property Manager or any person or entity claiming by, through or under Property 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").

WHEREAS, there is a Senior Mortgage in the amount of Four Hundred Thousand and no/100 Dollars (\$400,000.00) held by Park National Bank, whose address is 801 N. Clark Street, Chicago, Illinois 60610 ("Senior Lender") dated on a date even herewith and recorded as Document Number 0616510131. (RECORDER PLEASE INSERT RECORDING NUMBER) The Senior Lender holds a Senior Lien. The Senior Mortgage and the Senior Lien are superior to those of the County.

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. A. Subordinate Liens:
 - i. Any and all Property Manager liens or Junior Liens that may attach heretofore or hereinafter shall be subordinate to and made subject to the lien and operation of the Senior Mortgage and related Senior Mortgage Loan Documents made by Borrower to Park National Bank as well as the 2nd lien Mortgage and related Mortgage Loan Documents made by Borrower to and for the benefit of the County.
 - ii. The Junior Liens and junior Mortgage and related Loan Documents of the County, with the exception of the Declaration of Covenants, Conditions, and Restrictions executed by and between Borrower and the County, are subordinated and made subject to the lien and operation of the Senior Mortgage and related Senior Mortgage loan documents made by Borrower to Park National Bank and any indebtedness, liabilities or obligations arising under or secured by such documents.
 - iii. Any liens hereinafter made with or without the consent of the County by the Property Manager shall be Junior Liens which shall be subordinated and

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made subject to the lien and operation of the Senior Mortgage and related Senior Mortgage loan documents made by Borrower to Park National Bank as well as the 2nd lien Mortgage and related Mortgage Loan Documents made by Borrower to and for the benefit of the County.

B. NOTICE OF LIEN BY PROPERTY MANAGER: Prior to filing any lien pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/0.1 *et seq.*, as amended from time to time, Property Manager shall provide Lender with written notice of its intent to do so 15 days prior to any such filing or recordation.

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 Property Manager:

ANCHOR REALTY GROUP, INC
ATT: JOHN MUNSON
939 WEST LAKE STREET
CHICAGO, IL 60607
TELEFAX NO. 312 377 2099

with a copy to:

Joanne F. Felin
General Counsel
Anchor Companies
939 W Lake St
Chicago, IL 60607
Telefax No 312 377 2099

To Lender:

Director of Planning and Development
Cook County Department of Planning and Development
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

with a copy to:

HOME Program Director
Department of Planning and Development
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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Such address 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 Property Manager and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

5. Property 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.

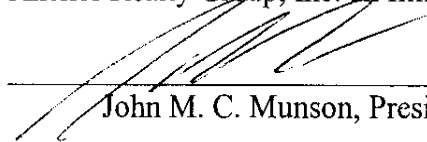
6. Notwithstanding anything contained in the Management Agreement to the contrary, at any time following the date on which Lender (or any affiliate or designee of Lender) becomes an owner of any portion of the Development in any manner (including, without limitation, by purchasing the Development at 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 Property 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.

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

Anchor Realty Group, Inc. an Illinois Corporation

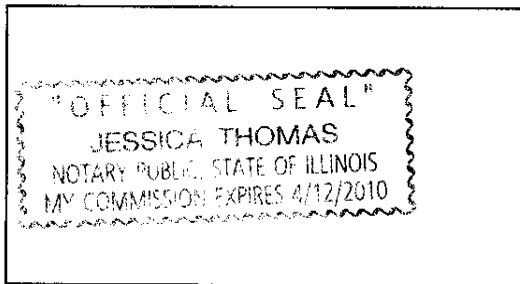


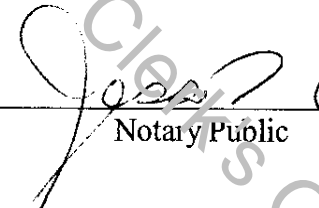
John M. C. Munson, President

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, the undersigned, a notary public in and for the State and County aforesaid, do certify that John M. C. Munson, President of Anchor Realty Group, Inc an Illinois Corporation is, 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 President of said Corporation as his free and voluntary act and deed and as the free and voluntary act of said Corporation for the uses and purposes therein set forth.

Given under my hand and official seal this 13 day of June, 2006.





Notary Public

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STREET ADDRESS: 136 E. 155TH STREET

CITY: HARVEY

COUNTY: COOK

TAX NUMBER: 29-17-304-032-0000

LEGAL DESCRIPTION:

LOTS 11 AND 12 AND THE WEST 4.5 FEET OF LOT 13 IN BLOCK 87 IN HARVEY, A SUBDIVISION OF PARTS OF SECTIONS 8 AND 17, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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