

# UNOFFICIAL COPY

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14<sup>00</sup>

## SUBORDINATION OF MANAGEMENT AGREEMENT

This Subordination of Management Agreement made and delivered in Chicago, Illinois as of the 3rd day of December, 1986, by THE HABITAT COMPANY, an Illinois corporation (hereinafter referred to as the "Manager"), to and for the benefit of THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation ("Lender").

### R E C I T A L S :

A. River Plaza Venture, an Illinois limited partnership (the "Partnership"), is the sole beneficiary of American National Bank and Trust Company of Chicago, not personally but solely as trustee under a Trust Agreement dated July 10, 1975 and known as Trust No. 91123 (the "Trust"), which Trust owns title to certain land and improvements thereon (collectively, the "Property"), including a 900,055 square foot apartment building with garage and commercial space (the "Building") legally described in attached Exhibit A (the Partnership and the Trust are hereinafter collectively referred to as the "Borrower").

B. The Partnership and the Manager have entered into a certain Management Agreement dated December 1, 1986 (the "Management Agreement") whereby the Manager agreed to furnish services for the rental, operation and management of the Building in exchange for certain payments to the Manager for its services and the payment of all expenses incurred by the Manager in connection with the furnishing of its services.

C. Pursuant to Illinois Revised Statutes, Chapter 82, par. 1, as amended on September 20, 1985, property managers have lien rights under the Mechanics' Lien Act for expenses incurred for the management of any structure.

D. Lender has agreed to make a loan (the "Loan") in an amount not to exceed Thirty Seven Million Two Hundred Fifty Thousand and No/100 Dollars (\$37,250,000.00) to the Trust. The Loan is evidenced by a certain Mortgage Note (the "Note") of even date herewith made by the Trust to the order of Lender in the principal amount of Thirty Seven Million Two Hundred Fifty Thousand and No/100 Dollars (\$37,250,000.00). The Note is secured, among other things, by a Mortgage (the "Mortgage") of even date herewith made by the Trust granting a lien on the Property and recorded in the Office of the Cook County, Illinois Recorder of Deeds on December     , 1986 as Document No. X 86593568. As additional security for repayment of the Note, the Trust and/or the Partnership are executing and delivering to Lender an Assignment of Rents and Leases, a Security Agreement and Assignment of Beneficial Interest and other loan documents (collectively, the "Loan Documents").

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

Mail to Wesley N. Becker  
8000 Sears Tower  
Chicago, Ill. 60606

Q# 70-84-371 D-2

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JANUARY 1997

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NOW, THEREFORE, 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 disbursements of proceeds of the Loan, it is hereby agreed as follows:

1. The Junior Liabilities and the Junior Liens are hereby subordinated 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 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 the Manager has been notified by Lender of any default in the payment or performance of any of the Senior Liabilities. In the event the Manager receives any such payment, the same shall be received in trust for Lender and immediately turned over by the 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 the Manager:

The Habitat Company  
405 North Wabash Avenue  
Chicago, Illinois 60611  
Attention: Sick W. Werth

with copy to:

Greenberger, Krauss & Jacobs, Chartered  
180 North LaSalle Street  
Suite 2700  
Chicago, Illinois 60601  
Attention: Jeffery C. Rappin, Esq.

To Lender:

The Aetna Casualty and Surety Company  
City Place  
Hartford Connecticut 06156  
Attention: Aetna Realty Investors, Inc.

with copy to:

Draper and Kramer, Incorporated  
33 West Monroe Street  
Chicago, Illinois 60603  
Attention: Loan Servicing Department

4. This Agreement shall be binding upon the Manager, and upon its successors and assigns.

5. The 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.

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6. 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.

THE HABITAT COMPANY,  
an Illinois corporation

By: *David L. ...*  
Title: President

Attest: *...*  
Title: ...

This Instrument Prepared By and  
After Recording Return to:

Dustin E. Neumark, Esq.  
Sonnenschein, Carlin, Nath,  
& Rosenthal  
8000 Sears Tower  
Chicago, Illinois 60606

Property Address:  
405 N. Wabash Avenue  
Chicago, Illinois 60611

Permanent Real Estate  
Tax Index Nos.:

17-10-132-001-0000  
17-10-132-002-0000  
17-10-132-003-0000  
17-10-132-004-0000  
17-10-132-005-0000  
17-10-132-006-0000  
17-10-132-007-0000  
17-10-132-008-0000  
17-10-132-009-0000  
17-10-132-010-0000  
17-10-132-011-0000

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11/11/2011

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COOK COUNTY, ILLINOIS  
FILED FOR RECORD

STATE OF ILLINOIS )  
COUNTY OF COOK )

1986 DEC 11 PM 3:33

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I, Alan Lev, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Daniel E. Levin and Denelope Braumant the President and Vice President of The Habitat Company, an Illinois corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President, and Vice President, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth; and the said Vice President then and there acknowledged that he, as custodian of the corporate seal of said Company, did affix the seal of said Company to said instrument as his own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 10<sup>th</sup> day of December, 1986.

Alan W. Lev  
Notary Public

My Commission Expires:

5/22/90

CLERK OF COOK COUNTY Clerk's Office

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Property of Cook County Clerk's Office

1588888



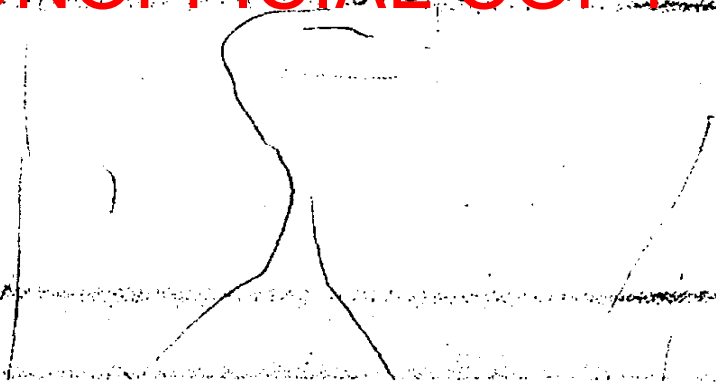


Exhibit A

PARCEL 1:

LOTS 1 THROUGH 12, INCLUSIVE, AND ALL OF THE VACATED 18 FOOT EAST AND WEST ALLEY LYING SOUTH OF AND ADJOINING SAID LOTS 1 THROUGH 6, INCLUSIVE, AND LYING NORTH OF AND ADJOINING LOTS 7 THROUGH 12, INCLUSIVE, ALL IN BLOCK 5 IN KINZIE'S ADDITION TO CHICAGO, IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, (EXCEPTING THEREFROM THAT PART OF LOTS 6 AND 7 AND THAT PART OF LOTS 5 AND 8 LYING WEST OF A LINE DRAWN FROM A POINT IN THE NORTH LINE OF LOT 5 THAT IS 14.10 FEET EAST OF THE NORTH WEST CORNER OF LOT 5 TO A POINT IN THE SOUTHEASTERLY LINE OF LOT 8 THAT IS 14.20 FEET NORTHEASTERLY OF THE SOUTH WEST CORNER OF LOT 8, TOGETHER WITH THE VACATED ALLEY LYING SOUTH OF A PART OF AFORESAID LOT 5 AND LOT 6 AND NORTH OF AFORESAID LOT 7 AND A PART OF LOT 8, LYING ABOVE A CITY OF CHICAGO DATUM PLANE OF 37.50 FEET)

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR THE MAINTENANCE, REPAIR, AND RECONSTRUCTION OF ENCROACHMENTS AS SHOWN AND DEFINED IN AGREEMENT DATED MAY 2, 1978 AND RECORDED MAY 3, 1978 AS DOCUMENT 24420624 BETWEEN FIELD ENTERPRISES, INC., AND AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JULY 10, 1975 AND KNOWN AS TRUST NUMBER 91123 IN THE LAND DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 6 AND 7 AND THAT PART OF LOTS 5 AND 8 LYING WEST OF A LINE DRAWN FROM A POINT IN THE NORTH LINE OF LOT 5 THAT IS 14.10 FEET EAST OF THE NORTH WEST CORNER OF LOT 5 TO A POINT IN THE SOUTHEASTERLY LINE OF LOT 8 THAT IS 14.20 FEET NORTHEASTERLY OF THE SOUTH WEST CORNER OF LOT 8, TOGETHER WITH THE VACATED ALLEY LYING SOUTH OF A PART OF AFORESAID LOT 5 AND LOT 6 AND NORTH OF AFORESAID LOT 7 AND A PART OF LOT 8 IN BLOCK 5 IN KINZIE'S ADDITION TO CHICAGO, IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING ABOVE A CITY OF CHICAGO DATUM PLANE OF 37.50 FEET, IN COOK COUNTY, ILLINOIS.

Tax No: 17-10-132-002 to 005 Lots 1-4  
17-10-132-007 to 008 Lots 9 and 10  
17-10-132-011 Lot 12

Address: 405 N. Wabash  
Chicago, IL 60611

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