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SUBORDINATION OF MANAGEMENT AGREEMENT

THIS SUBORDINATION OF MANAGEMENT AGREEMENT made and delivered in Chicago, Illinois as of the 12 day of May, 1988, by T.J. ADAM & CO., INC., an Illinois corporation ("Manager"), and OAK MEADOWS DEVELOPMENT ASSOCIATES, an Illinois limited partnership ("Owner"), to and for the benefit of THE CANADA LIFE ASSURANCE COMPANY ("CLAC").

RECITALS:

A. Owner is the sole beneficiary of GLENVIEW STATE BANK, not personally but solely as Trustee under a Trust Agreement dated April 15, 1988 and known as Trust No. 3665 (the "Trust"), which Trust owns title to certain land and improvements thereon and which Owner owns certain personal property located therein and used in connection therewith (collectively, the "Premises"), legally described in Exhibit A attached hereto and by this reference incorporated herein.

B. Owner and the Manager have entered into a certain Management Agreement dated March 31, 1987 (the "Management Agreement"), a copy of which is attached hereto as Exhibit B and by this reference incorporated herein, whereby the Manager agreed to furnish services for the operation and management of the Premises 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, paragraph 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. CLAC has agreed to make a loan (the "Loan") in an amount not to exceed Eight Million Seven Hundred Thousand Dollars (\$8,700,000.00) to the Trust. The Loan is evidenced by a certain Promissory Note (the "Note") of even date herewith made by the Trust to the order of CLAC in the principal amount of Eight Million Seven Hundred Thousand Dollars (\$8,700,000.00). 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 Premises and recorded in the Office of the Cook County, Illinois Recorder of Deeds on May 16, 1988 as Document No. 88208328. As additional security for repayment of the Note, the Trust and Owner are executing and delivering to CLAC an Assignment of Rents and Leases, a Beneficiary's Agreement and Irrevocable Right to Approve and other loan documents (collectively, the "Loan Documents").

E. CLAC requires as a condition precedent to its making the Loan, that (i) the indebtedness evidenced by the Note and the Loan and security interests of the 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 any and all obligations, expenses and indebtedness owing to the Manager, and which arise from the Management Agreement (collectively, the "Junior Liens"), and (ii) Owner and the Manager agree that the Management Agreement may be terminated by CLAC if a default or Event of Default occurs under the Note, the Mortgage or the Loan Documents which is not cured within any applicable grace period.

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Trust
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F. The Manager will be directly benefitted by the making of the Loan.

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 CLAC 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, 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 Trust or Owner, to CLAC with respect to the Premises (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 by Owner, and the Manager shall not accept any such payment, on or after the date Owner and Manager, respectively, have been notified by CLAC of any default in the payment or performance of any of the Senior Liabilities. If the Manager receives any such payment, the same shall be received in trust for CLAC and immediately turned over by the Manager to CLAC.

3. Notwithstanding anything contained in the Management Agreement to the contrary, Owner and the Manager agree that upon the occurrence of a default or Event of Default under the Note, the Mortgage or the Loan Documents, CLAC may, at its option, concurrently with and upon not less than five (5) days notice to the Manager terminate the Management Agreement and CLAC shall have no obligation or liability to the Manager on account thereof; provided, however, that unless and until CLAC so terminates the Management Agreement and for so long as Manager performs its services in accordance with the provisions of the Management Agreement, Manager shall be entitled to be paid the management fee provided for in Paragraph 3 of the Management Agreement.

4. 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:

T.J. Adam & Co., Inc.
333 Arlington
Elmhurst, Illinois 60126

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To Owner or Trust:

Oak Meadows Development Associates
c/o Richard E. Lyke
2116 Valley Lo Lane
Glenview, Illinois 60025

with a copy to:

Katz, Randall & Weinberg
200 North LaSalle Street
Suite 2300
Chicago, Illinois 60601
Attn: Arnold Weinberg, Esq.

To CLAC:

The Canada Life Assurance Company
c/o Mid-North Financial Services, Inc.
205 West Wacker Drive
Suite 202
Chicago, Illinois 60606
Attn: Joan von Loesen

with a copy to:

Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601
Attn: Charles L. Edwards, Esq. or
David B. Goss, Esq.

5. This Agreement shall be binding upon the Manager and Owner and upon their successors and assigns.

6. The Manager and Owner agree to execute such further documents or instruments and take such further actions as CLAC may reasonably request from time to time to carry out the intent of this Agreement.

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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.

MANAGER:

T.J. ADAMS & CO., INC. an
Illinois corporation

By: *J. P. [Signature]*
Title: President

Attest: _____
Title: _____

OWNER:

SAK MEADOWS DEVELOPMENT ASSOCIATES,
an Illinois limited partnership

By: *[Signature]*
Richard E. Lyko,
Managing General Partner

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The undersigned hereby accepts the foregoing Subordination of Management Agreement and agrees to be bound by the terms thereof.

THE CANADA LIFE ASSURANCE COMPANY

By: Mid-North Financial Services, Inc.,
its correspondent

By: John von Leesen
John von Leesen
Vice President

Property Address:
1919-2121 South Wolfe Road
Hillside, Illinois

Permanent Real Estate Tax Index No.:
15-20-300-039, 040, 041

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

David B. Goss, Esq.
Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601

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BORROWER'S ACKNOWLEDGEMENT

The undersigned acknowledges receipt of a copy of the foregoing Subordination Agreement, waives notice of acceptance thereof by Senior Lender and agrees to be bound by the terms and provisions thereof, to mark its respective books and records so as to clearly indicate that the Management Agreement, the Junior Liabilities and the Junior Liens are subordinated to the Senior Liabilities in accordance with the terms of such Subordination Agreement, to make no payments or distributions contrary to the terms and provisions thereof, and to do every other act and thing necessary or appropriate to carry out such terms and provisions of the foregoing Subordination Agreement by reason of any act or omission within the direct or indirect control of Borrower, then, at the election of CLAC, any and all obligations of the undersigned to CLAC shall forthwith become due and payable and any and all agreements of CLAC to make loans to the undersigned shall forthwith terminate.

This Acknowledgement is executed by the undersigned, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants in its individual capacity that it possess full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee personally to pay the Note or any interest (including Additional Interest) that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained or in any of the Loan Documents, or with regard to any warranty contained in the Subordination Agreement except the warranty made in this Paragraph, all such liability if any being expressly waived by CLAC and by every person now or hereafter claiming any right or security hereunder; provided that nothing herein contained shall be construed in any way so as to limit or restrict any of the rights and remedies of CLAC in any such foreclosure proceedings or other enforcement of the payment of the Senior Liabilities out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of CLAC under any other document or instrument evidencing, securing or guarantying the Senior Liabilities.

Dated: May 12, 1988

BORROWER:

Glenview State Bank, as
Trustee under Trust Agreement dated
April 15, 1988 and known as Trust
No. 3665

ATTEST:

By: Alice Hansen
Name: ALICE HANSEN
Title: ASSISTANT TRUST OFFICER

By: Kenneth H. Cooke
Name: KENNETH H COOKE
Title: VICE PRESIDENT

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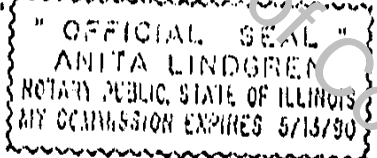
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MANAGER NOTARY BLOCK:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, ANITA LINDGREN, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that [Signature] and _____, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as _____ and _____ of T.J. Adam & Co. Inc., an Illinois corporation 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 corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18th day of May, 1988.



[Signature]
Notary Public

My Commission Expires:

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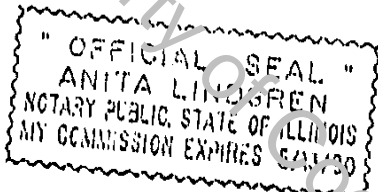
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OWNER NOTARY BLOCK:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, ANITA LINDGREN, a Notary Public, In and for the County and State aforesaid, DO HEREBY CERTIFY that Richard E. Lyke, who is personally known to me to be the same person whose name is subscribed to the foregoing Instruments as managing general partner of Oak Meadows Development Associates, an Illinois limited partnership, 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 said partnership for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 27th day of May, 1988.



Anita Lindgren
Notary Public

My Commission Expires:

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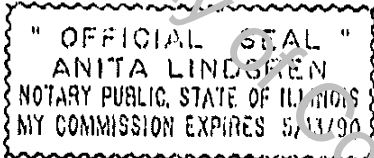
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CLAC NOTARY BLOCK:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, ANITA LINDGREN, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Joan von Leesen, who is personally known to me to be the same person whose name is subscribed to the foregoing instruments as Vice-President of Mid-North Financial Services, an Illinois corporation, correspondent for CLAC, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own, free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 12th day of May, 1988.



[Signature]
Notary Public

My Commission Expires:

TRUST NOTARY BLOCK:

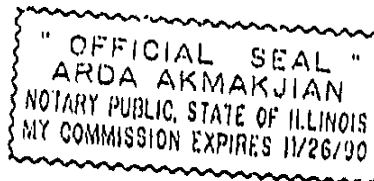
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Kenneth R. Cooke, Vice President and Alice Hansen, Asst. Tr. Officer who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as Vice President and Asst. Trust Officer of GLENVIEW STATE BANK, 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 BANK for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 12th day of May, 1988.

[Signature]
Notary Public

My Commission Expires:



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EXHIBIT B

MANAGEMENT AGREEMENT

This Agreement made this 31st day of March, 1987.

by and between Oak Meadows Development Associates, a partnership (hereinafter called the "Owner") and T. J. Adams Co., Inc. an Illinois corporation (hereinafter referred to as the "Agent"),

WITNESSETH:

WHEREAS, the Owner owns and operates apartment buildings with 313 apartment units located at 1919, 2021, 2121, N. Wolf Road, Hillside, Illinois (hereinafter referred to as the "Property") and desires to employ the Agent to manage said Property, subject to the terms and conditions hereinafter provided.

NOW, THEREFORE, the Owner and Agent for the considerations hereinafter named, agree as follows:

1. The Owner hereby appoints and employs the Agent, and the Agent hereby accepts such appointment and employment, on the terms and conditions hereinafter provided, as exclusive rental and managing agent to rent, lease, operate and manage the Property in Hillside Illinois, presently known as Oak Meadows Apartments.

2. The employment of the Agent shall commence on March 31, 1987, and shall continue until terminated, with ninety (90) days prior written notice from either party.

3. The Owner agrees to pay to Agent as full and entire compensation of Agent hereunder an amount equal to Two Percent (2%) of the revenues for each month during the term of this Agreement from rents for the use of the premises for such month, including revenues from tenants. Owner shall pay the salary of an on-site manager and all other on-site personnel, including salaries of all maintenance and clerical employees employed by the Owner or Agent.

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4. The Agent hereby accepts the appointment and employment and agrees as follows:

(a) To use due diligence in the management of the Property for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the renting, leasing, operating and managing of the herein-described Property. In connection therewith, the Agent agrees to use its best efforts to keep the Property rented in accordance with the schedule of rents determined by the Owner, and to collect all rentals therefrom. No lease shall be negotiated by Agent unless it is in the form and for a term approved in writing by the Owner. All leases shall be signed on behalf of the Owner by Agent, but Owner reserves the right to revoke such authority at any time.

(b) To keep books of account with correct entries therein to all receipts and expenditures with respect to said Property; to have said books of account at all times open to the inspection of Owner. To render monthly statements for the previous month, on or about the thirtieth (30th) day of each month, of receipts, expenditures and charges and to remit as Owner directs receipts less disbursements. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of the Agent. Agent hereby agrees to deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in a special bank account of Owner entitled Oak Meadows Trust Account. Such funds shall be withdrawn only in accordance with the provisions hereunder. Agent, however, shall not be held liable in the event of bankruptcy, insolvency or other financial inability or failure of said depository to be responsible for such deposits. All existing and future security deposits shall be maintained in a separate account and may be invested from time to time, in accordance with instruction of owner.

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(c) To prepare and file any appropriate federal, state or local tax returns of Owner under the Federal Employment Tax Act, Federal Insurance Contributions Act or other applicable federal, state or local statutes and to pay any such taxes on behalf of Owner as they apply to all employees of the Owner. Accounting services rendered in connection with the foregoing shall be incurred for the expense of the Owner. The Agent shall be responsible for such returns and taxes thereunder for all of its own employees, and Owner shall not be liable therefor.

(d) To pay all utility and tax bills and any special assessments on the Property (or make escrow deposits therefor as required by the mortgage) and similar bills received at the Property and Owner shall reimburse Agent promptly for amounts paid on said accounts.

(e) To hire in its own name all managerial personnel, including the on-site manager, for the efficient discharge of the duties of the Agent hereunder. Compensation for the services of such on-site employees shall be the responsibility of the Owner.

5. The Owner hereby gives to the Agent the following authority and powers and agrees to assume the expenses in connection herewith:

(a) To advertise the availability for rental or concession of the Property or any part thereof, and to display "for rent" signs thereon; to sign, renew and/or cancel leases for the premises or any part thereof; to collect rents due or to become due and give receipts therefor; to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate; to institute and prosecute actions; to evict tenants and to recover possession of said premises; to sue for in the name of the Owner and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies.

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(b) To advertise the availability of dwelling units within the Property for rental and in connection therewith and at the Owner's expense to erect signs at the building site, to print brochures and other advertising matter, to advertise in any newspaper or other publication, and to obtain credit reports regarding prospective tenants.

(c) To cause the buildings, appurtenances and grounds on the Property to be maintained according to standards acceptable to the Owner, including but not limited to, interior and exterior cleaning, painting, decorating, plumbing, carpentry and such other normal maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein. With the exception of payments required under the mortgage, taxes, insurance, utilities and Owner-approved contractual obligations, no disbursement shall be made in excess of Five Thousand Dollars (\$5,000.00) unless specifically authorized by the Owner; excepting, however, that emergency repairs, involving manifest danger to life or property, or immediately necessary for the preservation and safety of the Property, or for the safety of the tenants, or required to avoid the suspension of any necessary service to the Property, may be made by Agent irrespective of any cost limitation imposed by this paragraph.

(d) To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, subject to the same limitation contained in paragraph (c) of this section in connection with the making of repairs and alterations. The Agent, however, shall not take any action under this paragraph (d) so long as the Owner is contesting, or has affirmed its intention to contest any such order or requirement. The Agent shall promptly, and in no event later than

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seventy-two (72) hours from the time of receipt, notify the Owner in writing of all such orders and notices of requirements.

(e) Make contracts for water, electricity, gas, telephone, vermin extermination, scavenger, laundry, concessions (including vending) and other necessary services, or such of them as the Agent shall deem advisable. Also, place purchase orders for such equipment, tools, appliances, materials and supplies as are necessary property to maintain the Property. All such contracts and orders shall be made in the name of the Owner and shall be subject to the limitations set forth in paragraph (d) of this section. When taking bids or issuing purchase orders, the Agent shall act at all times under the direction of the Owner, and shall be under a duty to secure for and credit to the latter any discounts, commissions, or rebates obtainable as a result of such premises.

(f) To cause to be placed and kept in force all forms of insurance needed adequately to protect the Owner (or as required by law), including, where appropriate, Workmen's Compensation Insurance, public liability insurance, boiler insurance, fire and extended coverage insurance, and burglary and theft insurance. All of the various types of insurance coverage required for the benefit of the Owner shall be placed with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the Owner, and otherwise be in conformity with the requirements of the mortgage. The Agent shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the ownership, operation and maintenance of the Property, including any damage or destruction to the Property, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

(g) To save the Agent harmless from all damage

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suits in connection with the management of the Property and from liability from injury suffered by any employee or other person whomsoever and to carry at his own expense, necessary public liability and Workmen's Compensation Insurance (excepting Workmen's Compensation covering Agent's own employees) adequate to protect the interests of the parties hereto, which policies shall be so written as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as co-insured. The indemnity hereby afforded to the Agent by Owner shall not extend to liability arising from gross negligence or wilful misconduct of the Agent in the performance of the Agent's duties hereunder.

(n) The Agent will negotiate, investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order properly to maintain and operate the Property. Such personnel shall in every instance be in the Owner's and not in the Agent's employ. Compensation for the services of such employees shall be considered an operating expense of the Property.

(l) The Agent is hereby given authority on behalf of the Owner to render any and all services and perform any and all duties and take whatever action is necessary, whether or not specifically designated or authorized above, that are necessary to the efficient and proper management of the Property in accordance with prevailing practice for like buildings in the area. The Agent is authorized at the Owner's expense to furnish, operate and maintain an office on the project for the manager and other on-site personnel and to furnish, operate and maintain model apartment(s), as it deems necessary or desirable.

(j) Owner shall furnish, without charge, apartments in the building for occupancy by the resident manager

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6. Everything done by the Agent under the provisions of Section 3 shall be done as Agent of the Owner, and all obligations or expenses incurred thereunder shall be for the account, on behalf and at the expense of the Owner, except that the Owner shall not be obligated to pay the overhead expenses of the Agent's office. Any payments to be made by the Agent hereunder shall be made out of such sums as are available in the special account of the Owner, or as may be provided by the Owner. The Agent shall not be obliged to make any advance to or for the account of the Owner or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Agent be obliged to incur any liability or obligation for the account of the Owner without assurance that the necessary funds for the discharge thereof will be provided.

7. In the event a petition in bankruptcy is filed by or against either Owner or Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement without notice to the other.

8. All notices hereunder shall be in writing. Any notice may be given by United States certified mail, postage prepaid, addressed to Agent, if intended for Agent, at 333 Arlington, Elmhurst, Illinois 60126, or addressed to Owner, if intended for Owner, Richard E. Lyle, 2116 Valley Lo Lane, Glenview, IL 60025. Either party shall have the right to change the address for giving of notice at any time upon written notice to the other party.

9. This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

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10. For the convenience of the parties, this Agreement has been executed in several counterparts, which are in all respects similar and each of which shall be deemed to be complete in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

OWNER:

Oak Meadow Development
Associates
a partnership

By:

Richard E. Lyko
Managing General Partner

AGENT:

T.J. Adam & Co., Inc.
an Illinois corporation

By:

Tom Nagauska
President

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