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D. Lender has agreed to make a loan (the "Loan") in the amount \$4,200,000 to Borrower. The loan is evidenced by a certain Promissory Note (hereinafter, together with all extensions, renewals and other modifications thereof, the "Note") of even date herewith made by the Trust payable to the order of Lender in the same amount as the Loan. The Note is secured, among other things, by a Mortgage (hereinafter, together with all extensions, renewals and other modifications thereof, 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 16-June, 1989 as Document No. \_\_\_\_\_.

As additional security for repayment of the Note, Borrower is executing and delivering to Lender or causing the execution and delivery of an Assignment of Rents and

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.

B. Borrower and the Manager have entered into an oral agreement for the management of the Premises (the "Management Agreement") whereby the Manager has agreed to furnish management services in exchange for certain payments to the Manager for such services and the payment of expenses incurred by the Manager in connection with the furnishing of its services.

A. Walton-Erie Limited Partnership, an Illinois limited partnership ("Beneficiary"), is the sole beneficiary of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO as Trustee under Trust No. 108.64-01 created pursuant to a Trust Agreement dated May 14, 1989 (the "Trust"), which Trust owns title to certain land legally described on Exhibit A attached hereto, together with a two-level parking garage and the bottom eight office floors of a 26-story office/residential condominium building located thereon commonly known as 233 East Erie Street, Chicago, Illinois, and other improvements located on the said land (collectively, the "Premises"). The Trust and Beneficiary hereinafter are referred to jointly as "Borrower".

R E C I T A S :

This instrument is made and delivered in Chicago, Illinois as of the 14th day of June, 1989, by WALTON REALTY COMPANY, INCORPORATED, an Illinois corporation ("Manager"), to and for the benefit of PHOENIX MUTUAL LIFE INSURANCE COMPANY, a specially chartered Connecticut corporation ("Lender").

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SUBORDINATION OF MANAGEMENT AGREEMENT

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leases, an irrevocable right to approve trust documents and certain other security documents (all of the documents and instruments securing the loan are referred to collectively as the "Loan Documents").

E. Lender requires, as a condition precedent to its making the loan, that the indebtedness evidenced by the Note or secured by the mortgage, or both (collectively, the "Senior Liabilities"), and the liens and security interests of the mortgage and the other loan documents (collectively, the "Senior Liens") be paramount and prior to any and all obligations, expenses and indebtedness owing to the Manager which arise from or in connection with the management and operation of the premises by the Manager (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").

NOW, THEREFORE, in consideration 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 disburse the proceeds of the loan, it is hereby agreed as follows:

1. The Junior Liabilities and the Junior Liens (whether now existing or hereafter arising and regardless of the aggregate amount thereof) are hereby subjected and subordinated to each and every one of the Senior Liabilities and Senior Liens (whether now existing or hereafter arising and regardless of the aggregate amount thereof).
2. No payment in respect of any Junior Liabilities shall be made at any time on or after the date that the Manager has been notified by Lender of any default in the payment or performance of any of the Senior Liens or Senior Liabilities, or both. In the event that the Manager receives any such payment, the same shall be received in trust for Lender and immediately turned over by the Manager to Lender. Notwithstanding the foregoing, in the event Lender acquires fee simple title to the premises and has not terminated the Management Agreement pursuant to paragraph 3 below, the provisions of this paragraph 2 shall expire.
3. Upon the occurrence of a default under the Note, the mortgage or any of the other loan documents, Lender, at its option, shall have the right to terminate the Management Agreement (and any other right of Manager to manage the premises), which right shall be exercised by Lender by delivering written notice of termination to the Manager and Beneficiary. Any such termination shall be effective twenty (20) days after delivery of such notices.

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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.

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

5. This Agreement shall be binding upon the Manager and Borrower, and upon their respective successors and assigns and shall inure to the benefit of Lender, its successors and assigns and any holder of any of the Senior Liens or Senior Liabilities.

At the address provided under the Mortgage.

To Borrower:

Greenberger, Kraus & Jacobs, Chartered  
180 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601  
Attention: David Gluckstein, Esq.

with a copy to:

Phoenix Mutual Life Insurance Company  
One American Row  
Hartford, Connecticut 06115  
Attention: Real Estate Department  
Loan No. 106916

To Lender:

Walton Realty Company, Incorporated  
101 East Ontario, Suite 350  
Chicago, Illinois 60611  
Attn: Raymond H. Stender

To the Manager:

4. Any notices which may be given hereunder shall be deemed given when personally served, one business day after being delivered to a nationally recognized overnight courier or two business days after being deposited in the United States mail, as registered or certified mail, postage prepaid, addressed as follows:

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Premises Address:  
233 East Erie Street  
Chicago, Cook County,  
Illinois

Permanent Real Estate  
Tax Index Nos.:  
17-10-203-025

This instrument was prepared by and,  
after recording, return to:  
Michael G. Rogers, Esquire  
Greenberger, Krauss & Jacobs, Chartered  
180 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601

Joseph Maslov,  
a general partner

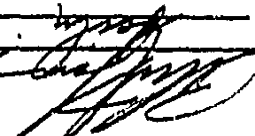
Leo H. Hurle,  
a general partner

Robert Simon,  
a general partner

Raymond H. Stender,  
a general partner

WALTON-ERIE LIMITED  
PARTNERSHIP, an Illinois  
limited partnership

The undersigned acknowledges this Agreement, and, by  
execution hereof, agrees to be bound by all of the provisions  
hereof, including, without limitation, paragraphs 3 and 5.

WALTON REALTY COMPANY, an  
INCORPORATED, an  
Illinois corporation  
By:   
Title: President

IN WITNESS WHEREOF, this Agreement has been executed as of  
the day and year first above written.

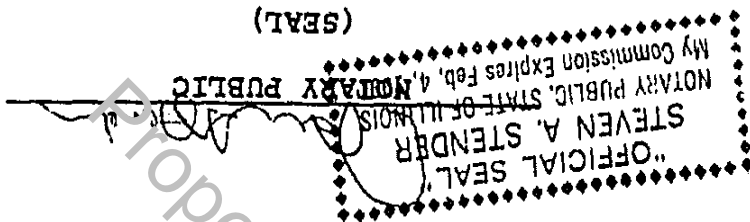
MR  
RS

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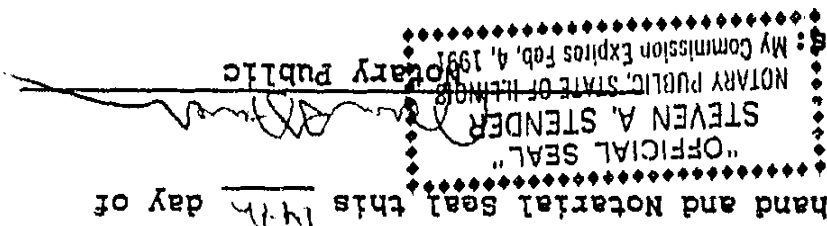
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GIVEN under my hand and notarial seal, this 14th day of June, 1989.

I, Steven A. Stender, a Notary Public in and for said county, in the state aforesaid, do hereby certify that RAYMOND H. STENDER, ROBERT SIMON, LEO M. FURIE and JOSEPH MASLOV, who are 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 as their own free and voluntary act and as the free and voluntary act of said limited partnership for the uses and purposes therein set forth.

STATE OF ILLINOIS  
 )  
 ) SS.  
 ) COUNTY OF COOK



GIVEN under my hand and Notarial Seal, this 14th day of June, 1989.

I, Steven A. Stender, a Notary Public, in and for the county and state aforesaid, DO HEREBY CERTIFY that, Robert Simon the Sec. Treas. President of WALTON REALTY COMPANY, INCORPORATED (the "Company"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Sec. Treas. President, 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 company, for the uses and purposes therein set forth.

STATE OF ILLINOIS  
 )  
 ) SS.  
 ) COUNTY OF Cook

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PARCEL 3: All those certain easements, privileges, rights of use and all other benefits described in that certain Declaration of Covenants, Conditions, Restrictions and Easements recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document Number 26017894, as granted for the benefit of Parcel 1.

PARCEL 2: Easement for the benefit of Lot 25 of the right to maintain party wall as established by Agreement between Edwin B. Sheldon and Heaton Owsler recorded August 11, 1892 as Document Number 1715549 on that part of Lots 25 and 26 in Kinzie's Addition aforesaid occupied by the West 1/2 of the party wall, all in Cook County, Illinois as same pertains to Parcel 1.

PARCEL 1: All of the Land, Property and Space lying below and extending downward from a horizontal plane having an elevation of 119.30 feet above Chicago City Datum (and which is also the lower surface of the floor slab of the ninth floor, in the 26-story building situated on the parcel of land hereinafter described) and lying within the boundaries projected vertically upward and downward of a parcel of land comprised of Lots 20, 21, 22, 23, 24 and 25 (except that part of Lot 25 lying west of the center of the party wall of the building now standing on the dividing line between Lots 25 and 26), excepting from said Property and Space that part thereof lying above a horizontal plane having an elevation of 118.13 feet above Chicago City Datum (and which plane coincides with the lowest surface of the roof slab of the 5-story building situated on said parcel of land) and lying within the boundaries projected vertically upward of the South 17.96 feet of said parcel of land, all in the Subdivision of the West 394 feet of Block 32, except the East 14 feet of the North 80 feet thereof in Kinzie's Addition to Chicago in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Legal Description

EXHIBIT A

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