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

Permanent Real Estate
Tax Index No.:

William J. Mitchell
KECK, MAHIN & CATE
1515 E. Woodfield Road
Suite 250
Schaumburg, IL 60173-5431

See Attached Exhibit A
Addresses:
Algonquin and Goebbert Roads
Arlington Heights, IL

SUBORDINATION OF MANAGEMENT AGREEMENT

Re: BRITTANY PLACE

THIS SUBORDINATION OF MANAGEMENT AGREEMENT ("Agreement") is made and delivered by ARTHUR GOLDNER & ASSOCIATES, INC., an Illinois corporation ("Manager") to and for the benefit of LASALLE NORTHWEST NATIONAL BANK ("Lender").

RECITALS

BRITTANY PLACE LIMITED PARTNERSHIP, an Illinois limited partnership ("Beneficiary"), is the owner of the entire beneficial interest and the power of direction under Trust No. 118581 ("Trust") established under a Trust Agreement dated January 18, 1994 of which LASALLE NATIONAL TRUST, N.A. is the Trustee ("Trustee"). The Trust holds title to certain real estate legally described in Exhibit A attached hereto ("Property"). The management office address for the Property is 2415 South Goebbert Road, Arlington Heights, Illinois.

The Manager and the Trust and/or Beneficiary have entered into a certain Management Agreement dated February 2, 1994 ("Management Agreement"), a copy of which is attached as Exhibit B hereto, whereby the Manager has agreed to furnish services for the rental, operation and management of the Property as a residential apartment complex, and it agreed, the management of the property for the not-for-profit association of the owners of condominium units subsequent to the submission of all or a portion of the residential dwelling units comprising the Property to the provisions of the Illinois Condominium Property Act (765 ILCS 605/ et seq, [1992], as amended), in exchange for certain payments to the Manager for its services.

Pursuant to certain provisions of 75 ILCS 60/1 (1992), as amended, property managers have lien rights under the Mechanic's Lien Act for expenses incurred for the management of any structuring.

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Lender has agreed to make a mortgage loan ("Loan") in an amount not to exceed Ten Million Four Hundred Thousand Dollars (\$10,400,000) to the Trustee and Beneficiary. The Loan shall be evidenced by a certain Mortgage Note ("Note") dated as of even date herewith made by the Trust and Beneficiary 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 ("Mortgage") of even date with the Note made by the Trust 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 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").

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 sufficiently 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 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 Trustee and/or Beneficiary 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 the occurrence of an Event of Default (as defined) and that Lender has exercised its right to terminate the Management Agreement pursuant to the exercise of one of its remedies under the Loan Documents. In the event the Manager received any such payment after notice from Lender as aforesaid, the same shall be received in trust for Lender and immediately turned over by the Manager to Lender upon request.

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:

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To the Manager: Arthur Goldner & Associates, Inc.
40 Skokie Blvd.
Suite 100
Northbrook, Illinois 60062
Attention: Arthur Goldner

with a copy to: Robert H. Goldman, Esq.
Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601

To Lender: LaSalle Northwest National Bank
4747 West Irving Park Road
Chicago, Illinois 60641
Attention: Jonathan Gillfillan
Commercial Real Estate Dept.

4. This Agreement shall be binding upon the Manager, 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.

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.

Dated: January 11, 1994.

Manager:

ARTHUR GOLDNER & ASSOCIATES, INC.,
an Illinois Corporation

By: 

Its: Jonathan Gillfillan

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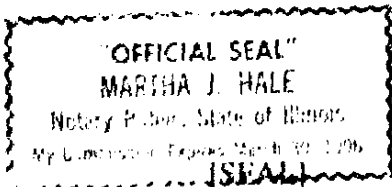
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STATE OF ILLINOIS)

COUNTY OF COOK)

I MARTHA HALE, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that ARTHUR GARDNER, the PRESIDENT of Arthur Gardner & 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 the Manager, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 3rd day of FEBRUARY, 1994.



Marta J. Hale
NOTARY PUBLIC

My Commission Expires MARCH 30, 1996

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EXHIBIT A

Legal Description of the Real Estate

LOT 2 IN GRETA LEDERER DEVELOPMENT CO.'S SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS ON JULY 25, 1966 AS DOCUMENT 2283027, IN COOK COUNTY, ILLINOIS.

P.I.N. 18-15-301-004

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EXHIBIT B

Management Agreement

[MANAGEMENT AGREEMENT OR MATERIAL TERMS ATTACHED]

Property of Cook County Clerk's Office

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RESIDENTIAL MANAGEMENT AGREEMENT

This agreement made as of the 1st day of February 1994 at Northbrook, Illinois, by and between ARTHUR GOLDNER & ASSOCIATES, INC. an Illinois Corporation (hereinafter referred to as "AGENT" and BRITTANY PLACE LIMITED PARTNERSHIP; an Illinois partnership (hereinafter referred to as "OWNER").

WITNESSETH:

In consideration of the mutual promises and covenants herein contained, OWNER and AGENT agree as follows:

1. The OWNER hereby employs AGENT as sole and exclusive management agent to rent and manage the property (hereinafter called "Premises") known as: BRITTANY PLACE APARTMENTS upon terms hereinafter set forth, for a period beginning on the 1st day of February 1994, and ending on the 31st day of January 1996, and thereafter for as long as the premises is owned by OWNER.

2. THE AGENT AGREES:

(a) To accept the management of the Premises, to the extent, for the period, and upon the terms herein provided and agrees to furnish services for the rental operation and management of the Premises.

(b) To render statements of receipts, disbursements and charges and to remit each receipt, less disbursements to OWNER on a monthly basis. Such statements shall be delivered to OWNER not later than the 15th of the following month.

In the case the disbursements and charges shall be in excess of the receipts, the OWNER agrees to pay such excess within ten (10) days after AGENT'S written request of same, but nothing herein contained shall obligate the AGENT to advance its own funds on behalf of the OWNER.

(c) To cause all employees of the AGENT who handle or are responsible for the safekeeping of any monies of the OWNER to be covered by a fidelity bond in an amount and with a company determined by the AGENT at no cost to the OWNER.

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3. THE OWNER AGREES:

To give the AGENT the following authority and powers (all or any of which may be exercised in the name of the OWNER) and agrees to assume all expenses in connection therewith:

(a) To advertise (with OWNER'S approval) the Premises or any part thereof to display signs thereon and to rent the same; to cause references of prospective tenants to be investigated; to sign leases for terms not in excess of one (1) year and to renew and or cancel the existing leases and prepare and execute the new lease without additional charge to the OWNER. To collect from appropriate tenants, for the benefit of the AGENT, a subleasing administrative charge and account for such charge to OWNER. All such leases shall contain a sixty (60) day cancellation clause and shall give Lessor the right to view/show, to prospective tenants and buyers, said apartments with a minimum of 24 hours notice. To collect from appropriate tenants for benefit of the OWNER, a non-negotiable check charge and account for such to the OWNER. To collect from prospective tenants, for the benefit of the AGENT, a credit report fee and account for such charge to the OWNER. To sign and serve such notices as are deemed necessary by the AGENT. With OWNER'S approval institute and prosecute actions at the expense of OWNER which may include engaging counsel; to oust tenants and to recover possession of the Premises; to sue for and recover rent; and, when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies.

(b) To hire, promote, discharge and supervise employees as AGENT may determine advisable to be employed in the care, maintenance and operation of said Premises. It is understood and agreed that all such employees are in the employ of the OWNER solely, and that AGENT is in no way liable to such employees for their wages or other compensation, nor to OWNER or others for any act or omission on the part of such employee. The hiring, promotion and discharge of these employees is subject to the consent of the OWNERS.

(c) To collect rents, parking and other items, laundry receipts, due or to become due and give receipts therefor and to deposit all funds collected hereunder in the AGENT'S custodial account. In the event any such rents, parking and other items due are collected by OWNER, OWNER shall immediately forward such funds to AGENT, which funds AGENT shall deposit in AGENT'S custodial account.

(d) To make or cause to be made all repairs, replacements, alterations, additions, improvements and decorations in and to said premises as AGENT may determine advisable. The expense incurred for any one item of same shall not exceed the sum of Two Thousand and No/100 Dollars (\$2,000.00) unless authorized by OWNER, except under such circumstances as AGENT shall deem to be an emergency.

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(e) To refund tenant's security deposits at the expiration of leases and, only if required to do so by law, to pay, upon security deposits, ^{interest}

(f) To execute and file all returns and other instruments and do and perform all acts required of the OWNER as an employer with respect to the Premises under the Federal Insurance Contributions Acts, the Federal Unemployment Tax Act and Subtitle C of the Internal Revenue Code of 1954 with respect to wages paid the AGENT on behalf of the OWNER and under any similar Federal or State law now or hereafter in force (and in connection therewith the OWNER agrees upon request to promptly execute and deliver to the AGENT all necessary powers of attorney, notices of appointment and the like.

4. THE OWNER FURTHER AGREES:

(a) Provided Agent is not guilty of willful misconduct and/or gross negligence and except as provided in paragraph 6 (e) hereunder, to protect, defend, indemnify and hold and save AGENT free and harmless from any and all damages or injuries to person or property, or claims, actions, obligations, liabilities, costs, expenses and fees by reason of any cause whatsoever when AGENT is carrying out the provisions of the Management Agreement or acting upon the directions of OWNER. It is expressly agreed that the foregoing provisions of this subparagraph shall survive the termination of their Management Agreement, but this shall not be construed to mean that OWNER'S liability does not survive as to other provisions of this Management Agreement. OWNER agrees to procure and maintain during the terms of this Management Agreement comprehensive general public liability insurance, including property damage insurance, elevator liability insurance, if any, steam boiler insurance, workmen's compensation insurance, and such other insurance as may be advisable for the protection of OWNER and AGENT. In each such policy of insurance, OWNER agrees to designate AGENT and its officers, employees and agents as insureds. The insurance carrier and the amount of coverage in each such policy shall be mutually agreed upon by OWNER and AGENT. A certificate of each such policy issued by the carrier shall be delivered to AGENT, and shall provide that AGENT shall receive at least ten (10) days prior written notice from the carrier in the event of cancellation or any material change therein.

(b) Except as provided in paragraph 6 (e) hereunder, and to the extent covered by AGENT'S or OWNER'S insurance, to pay all expenses including without limitation, attorney's fees for counsel employed to represent the AGENT or the OWNER in any proceeding or suit involving an alleged violation by the AGENT or the OWNER, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to fair employment, Federal Fair Credit Reporting Act, environmental protection, or fair housing, including, without limitation, those prohibiting or

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making illegal discrimination on the basis of race, creed, color, religion or national origin in the sale, rental or other disposition of housing or any services rendered in connection therewith (unless the AGENT is finally adjudicated to have personally and not in a representative capacity violated such constitutional provision, statute, ordinance, law or regulation), but nothing herein contained shall require the AGENT to employ counsel to represent OWNER in any such proceeding or suit.

(c) To give adequate advance written notice to the AGENT if payment of mortgage indebtedness, general taxes or special assessments or the placing of fire, steam boiler or any other insurance is desired.

5. TO PAY THE AGENT EACH MONTH:

Five percent (5%) of the monthly gross receipts from the operation of the Premises during the period this Agreement remains in full force and effect.

6. IT IS MUTUALLY AGREED THAT:

(a) The OWNER expressly withholds from the AGENT any power or authority to make any structural changes in any building or to make any other major alterations or additions in or to any such building or equipment therein, or to incur any expense chargeable to the OWNER other than expenses related to exercising the express powers above vested in the AGENT without the prior written direction of one (1) of the following persons:

Norman Katz
Rosalie Gouletas
Georgia Petropoulos

except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof or are required to avoid the suspension of any necessary service to the Premises.

(b) The AGENT does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the OWNER promptly or if AGENT becomes aware through its own sources, forward to the OWNER promptly any complaints, warning, notices or summonses received by it relating to such matters. The OWNER represents that to the best of its knowledge the Premises and such equipment comply with all such requirements and authorizes the AGENT to disclose the

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ownership of the Premises to any such officials and agrees to indemnify and hold harmless the AGENT, its representatives, servants and employees, of and from all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations.

(c) In the event either party finds it necessary to enforce the terms and provisions of this Agreement for any alleged claims for amount due hereunder or any other breach hereunder, the prevailing party, whether plaintiff or defendant shall be entitled to be reimbursed all reasonable attorney's fees, court costs and, if a monetary default interest at the rate of ten percent (10%) from the date of the alleged default.

(d) In the event it is alleged or charged that any building on the Premises or any equipment therein or any act or failure to act by the OWNER with respect to the Premises or the sale, rental or other disposition thereof fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction thereover, and the AGENT, in its sole and absolute discretion, considers that the action or position of the OWNER may result in damage or liability to the AGENT, the AGENT shall have the right to cancel this Agreement at any time by written notice to the OWNER of its election so to do, which cancellation shall be effective upon the service of such notice. Such notice may be served personally or by registered mail, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of the OWNER set forth in Paragraph 4 and 6(b) above and shall not terminate any liability or obligation of the OWNER to the AGENT for any payment, reimbursement or other sum of money then due and payable to the AGENT hereunder.

(e) AGENT shall not be liable to OWNER for any error in judgment, nor for any good faith act or omission in the execution of this Management Agreement. The AGENT shall be liable to the OWNER for its intentional tortuous acts as well as negligent acts of its AGENTS and employees.

7. AGENT shall have the right to display on the Premises suitable signs of AGENT to effect that AGENT is the managing agent of the Premises.

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8. This Agreement may not be changed orally, and may not be assigned by OWNER without the express written consent of AGENT. All notices shall be sent in writing by registered mail, return receipt requested, at the address listed below, or at such other address as either party may hereafter in writing designate:

TO OWNER:

Norman Katz

Home By Invsco
505 North Lake Shore Drive
Chicago, Illinois 60611

Georgia Petropoulos

Home By Invsco
505 North Lake Shore Drive
Chicago, Illinois 60611

FEIN OR SS# _____

TO AGENT:

Arthur Goldner & Associates, Inc.
40 Skokie Boulevard - Suite 100
Northbrook, Illinois 60062

9. This Agreement shall inure to the benefit of and shall be binding on the parties hereto, their heirs, executors, administrators, personal representatives, successors and assigns.

10. In the event the OWNER elects to sell or exchange, as hereinafter defined, the Premises during the term of this Agreement or renewals thereof, OWNER hereby appoints AGENT as its exclusive AGENT with sole authority to advertise, display signs, sell or exchange said Premises. OWNER agrees to refer to AGENT all inquiries or offers it may receive during the term of this Agreement or any renewals thereof.

Sale or exchange shall be defined to include the following: the conveyance of title to the Premises by OWNER, or anyone else, the assignment of or entering into an agreement to assign the beneficial interest or any portion thereto of any land trust holding legal title to the Premises, entering into Articles of Agreement to sell the Premises, the sale of a partnership interest in the property, or any other disposition or condemnation which occurs while this Agreement is in effect. In the event the Premises is sold or exchanged by AGENT, by OWNER or by or through any other person, OWNER hereby agrees to pay AGENT a commission in the amount of five percent (5%) of the purchase price for which this property is sold or the value at which it is exchanged. Any such fee paid to AGENT shall be divided equally with Home By Invsco as co-broker.

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If the sale or exchange is effected after the period of this Agreement or renewals thereof to a person or an entity or on behalf of a person to whom it was submitted by AGENT during the period of the exclusive sales agreement, OWNER shall pay the same commission to AGENT.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures as of the date first above written.

OWNER:

BRITTANY PLACE LIMITED
PARTNERSHIP, an Illinois
Limited Partnership

By: Brittany Place, Inc.
an Illinois Corporation

By: _____
its President

AGENT:

ARTHUR GOLDNER & ASSOCIATES, INC.

By: _____
its Chairman

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