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Cook County Recorder 53.00

THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED, RETURN
TO:

Michael F. Alessio, Esq.
Winstead Sechrest & Minick P.C.
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270



Loan No. 240951

CONSENT AND AGREEMENT

The undersigned (the "Undersigned") acknowledges an assignment of certain documents pursuant to that certain Mortgage, Security Agreement and Fixture Financing Statement (the "Security Instrument") to be executed and delivered by **SOCALCO LIMITED PARTNERSHIP**, an Illinois limited partnership ("Borrower"), to **COLUMN FINANCIAL, INC.**, a Delaware corporation ("Lender"), in connection with that certain loan (the "Loan") of ONE MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,300,000.00) being made by Lender to Borrower to finance certain real property and improvements located in Cook County, Illinois and more particularly described on Exhibit A attached hereto and incorporated herein by reference, said real property and improvements being hereinafter referred to as the "Premises." The Undersigned has agreed to perform or supply certain services in connection with the management of the Premises pursuant to that certain Management Agreement dated January 1, 1992 (the "Contract") attached hereto as Exhibit B and incorporated herein by reference for all purposes. The Undersigned does hereby (a) warrant and represent that the Contract contains all agreements between the Undersigned and Borrower relating to the Premises; and (b) acknowledge and consent to the assignment of the Contract as set forth in the Security Instrument and to any further assignment thereof by Lender; and (c) warrant and represent that no default exists under the terms of the Contract between Borrower and the Undersigned; and (d) acknowledge that Borrower has satisfied all conditions precedent to commencement of performance by the Undersigned under the Contract. The Undersigned does hereby agree that: (i) in the event of any default by Borrower under the terms of the "Loan Documents" (as defined in the Security Instrument), the Undersigned shall, upon receipt of written notice and demand of Lender, continue performance under the Contract on behalf of Lender, provided that the Undersigned is reimbursed for such performance rendered thereafter on behalf of Lender in accordance with the Contract; and (ii) in the event of any default by Borrower under the Contract, the Undersigned shall deliver to Lender, by certified United States mail, postage prepaid, return receipt requested, addressed to **COLUMN FINANCIAL, INC., c/o 3414 Peachtree Road, Suite 1140, Atlanta, Georgia 30326-1113**, written notice of such default and the action required to

BOX 333-CT

Property of

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cure the same, and Lender shall have a reasonable time (but in no event less than thirty days after receipt of such notice) within which Lender shall have the right, but not the obligation, to cure such default, and the delivery of such notice of default and the failure of Lender to cure the same within such time allowed shall be conditions precedent to the exercise of any right or remedy of the Undersigned arising by reason of such default; and (iii) the Undersigned shall not enter into any modification of, or addition to, the Contract without the prior written consent of Lender not to be unreasonably withheld; and (iv) in the event that Lender shall acquire title to the Premises by foreclosure or otherwise, the Contract shall be terminable at the option of Lender; and (v) the rights of the Undersigned under the Contract shall be and remain subordinate in all respects to the Loan Documents.

The Undersigned represents that it is looking to Borrower, and not to Lender, for payment under the Contract, except as provided in clause (i) of the preceding paragraph and the Undersigned waives any equitable lien which the Undersigned may now or hereafter have upon the proceeds of the Loan.

This Consent and Agreement is given by the Undersigned for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, and is intended to induce Lender to make the Loan to Borrower.

IN WITNESS WHEREOF, the Undersigned has executed this instrument to be effective as of April 6, 1999.

M & J WILKOW, LTD.,
an Illinois corporation

By: 

Name: Clifton J. Wilkow

Title: Executive Vice President

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STATE OF ILLINOIS)
)
) ss.
COUNTY OF Cook)

I, Jennifer L. Harshbarger, a Notary Public in and for the County and State aforesaid, do hereby certify that CLIFTON J. WILKOW, personally known to me to be the Executive Vice President of M&J Wilkow, Ltd., an Illinois corporation, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6th day of April, 1999.

Jennifer L. Harshbarger
Notary Public

[S E A L]



My Commission Expires:

11/18/02

EXHIBIT LIST

- Exhibit A - Legal Description
- Exhibit B - Management Agreement

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EXHIBIT A

Property Description

Parcel 1:

Lots 19 to 23, inclusive, and Lot 24 (except that part thereof conveyed to Clarence Buckingham by deed dated September 17, 1895 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on October 7, 1895 as Document 2288080 in Book 5532, Page 148) and Lot 27 in Block 1 in Bergman and Others Subdivision of the West 3/4 of Block 9 in Canal Trustee's Subdivision of the East 1/2 of Section 29, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, said Plat of Subdivision having been recorded in the Office of the Recorder of Deeds of Cook County, Illinois on January 25, 1875 as Document No. 11281.

Parcel 2:

Lots 28 and 29 in Block 1 in Bergman and Others Subdivision of the West 3/4 of Block 9 in Canal Trustee's Subdivision of the East 1/2 of Section 29, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, said Plat of Subdivision having been recorded in the Office of the Recorder of Deeds of Cook County, Illinois on January 25, 1875 as Document No. 11281.

Permanent Tax Identification Numbers:

14-29-404-001	(Lot 19)
14-29-404-002	(Lot 20)
14-29-404-003	(Lot 21)
14-29-404-004	(Lot 22)
14-29-404-005	(Lot 23)
14-29-404-006	(Lot 24)
14-29-404-007	(Lot 27)
14-29-404-008	(Lots 28 and 29)

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EXHIBIT B

Management Agreement

Property of Cook County Clerk's Office

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AMENDMENT OF MANAGEMENT AGREEMENT

THIS AMENDMENT OF MANAGEMENT AGREEMENT, dated as of the 1st day of January, 1997 by and between **SOCALCO LIMITED PARTNERSHIP**, an Illinois limited partnership ("Owner") and **M & J WILKOW, LTD. f/k/a M & J Wilkow Management Corporation** ("Agent").

RECITALS:

A. Owner and Agent entered into a certain management agreement dated as of the 1st day of January, 1992 (the "Management Agreement") covering property management services to be rendered at certain real property in Chicago, Illinois commonly known as Diversey-Sheffield or Near North Plaza ("Property").

B. Owner and Agent desire to amend the Management Agreement, upon and subject to the terms, covenants and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, Owner and Agent agree as follows:

1. Revision to Construction Supervision. Clause (i) of Subsection 3(a) of the Management Agreement is hereby amended in its entirety to read as follows:

"(i) a construction supervision fee shall be payable to Agent, from time to time, as compensation for any services it may render for supervising the construction of base building capital improvements or renovations or tenant improvements at the Property in an amount equal to five percent (5%) of the cost of construction;"

2. Revision to Responsibilities and Duties of Agent. The following Subsection 4(t) is hereby added to the Management Agreement:

"(t) cause to be prepared and negotiated in accordance with terms which have been previously agreed upon by Owner any and all lease documentation demising premises at the Real Property and execute on behalf of Owner such lease documents which have been completed in accordance with the terms previously approved by Owner."

3. Ratification. Except as amended by the terms of this Amendment of Management Agreement, all of the terms, covenants and conditions of the Management Agreement and the rights and obligations of the Owner and Agent thereunder shall remain in full force and effect and hereby are ratified and affirmed.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Management Agreement as of the date first above written.

OWNER:

AGENT:

SOCALCO LIMITED PARTNERSHIP

M & J WILKOW, LTD.

By: MJW Investments

By:

By:

Marc R. Wilkow
President

Clifton J. Wilkow
Executive Vice President

Property of Cook County Clerk's Office

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MANAGEMENT AGREEMENT

THIS AGREEMENT, made as of the 1st day of January, 1992 by and between SOCALCO LIMITED PARTNERSHIP, an Illinois Limited Partnership (hereinafter referred to as "Owner") and M & J WILKOW MANAGEMENT CORPORATION, an Illinois corporation (hereinafter referred to as "Agent").

WITNESSETH:

WHEREAS, Owner is the beneficial owner of certain real property in, Chicago, Illinois, commonly known as Diversey-Sheffield, (the "Real Property"), which Real Property is improved along with common areas and including other easements and rights appurtenant thereto (hereinafter collectively referred to as the "Building");

WHEREAS, Owner desires to employ Agent to manage the Building on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Owner and Agent hereby agree as follows:

1. Employment. Owner, subject to the terms and conditions herein set forth, hereby employs Agent as the exclusive manager of the Building and Agent hereby accepts such employment and agrees to exert its best efforts in the management of the Building and in the performance and discharging of its duties and responsibilities as set forth herein.

2. Term. The term of this Agreement shall be for a fixed term of ten (10) years from the date of this Agreement as hereinabove set forth (the "Term") and shall only terminate prior to the expiration of said ten (10) year term as provided herein.

3. Compensation.

(a) Amount. Owner agrees to pay Agent, as full and complete compensation for the Basic Services (as hereinafter defined in Section 4) to be performed pursuant to this Agreement, an annual fee equal to five percent (5%) of the Gross Receipts (as hereinafter defined in Section 5) (the "Management Fee"). In addition, Agent shall be entitled to such additional, reasonable compensation as may be approved by Owner in advance for performing services beyond such Basic Services or any other extraordinary service, with such additional fees or compensation to be no less than fees and compensation generally charged by other managers of comparable buildings. In this connection, it is specifically agreed that: (i) a construction supervision fee shall be payable to Agent, from time to time, as compensation for any services it may render for supervising the construction of tenant improvements at the property in an amount equal to seven and one-half (7-1/2%) percent of the cost of such tenant improvement construction and (ii) a leasing commission shall be payable to Agent, from time to time, as compensation for services rendered in connection with an expansion or a renewal of an existing tenant in an amount equal to a full, standard leasing commission, less any commission paid to an outside broker, but in no event shall said commission be less than 25% of a full standard commission.

(b) Time of Payment. The Management Fee, which is to be calculated on the basis of each current month's Gross Receipts, shall be paid by Owner to Agent and Agent is hereby authorized to deduct such Management Fee from the Gross Receipts each month during the Term of this Agreement, with such Management Fee to be prorated in the event that the date of commencement or the termination of this Agreement shall be less than a complete month (said proration to be based on a thirty (30) day month). In the event that Agent's projections indicate that there will not be at any point sufficient funds available to Agent to pay the Management Fee and other Operating Expenses and maintain the Working Capital Reserve (as such terms are hereinafter defined), then Owner shall, upon Agent's written request immediately deposit sufficient funds in the bank account to be maintained by Agent in accordance with Subsection 4(q) of this Agreement to adequately fund such financial obligations of Owner. In the event Owner fails to pay such Management Fee and Operating Expenses and maintain the Working Capital Reserve or deposit such funds in such segregated account as required, Agent may, in addition to any other remedies as herein or in law or in equity provided, deduct the Management Fee and Operating Expenses and deficit in the Working Capital Reserve from subsequent Gross Receipts. Although Agent is not required to advance any of its own funds hereunder, in the event Agent shall desire to advance any of its funds to cover any Operating Expenses, which Owner has failed to provide after a

request from Agent, Owner shall pay Agent interest at the reference rate of interest quoted from time to time at Continental Bank, N.A. for any advances of Operating Expenses not reimbursed by Owner to Agent.

4. Responsibilities and Duties of Agent. Agent shall manage the Building diligently, assiduously and prudently, except when prevented from doing so by strikes, fire, casualty or other causes beyond its reasonable control. In connection therewith as basic services ("Basic Services") to be rendered, Agent shall:

(a) use its best efforts to manage and operate the Building in a first-class manner consistent with and providing management services as are usual and customary for other comparable buildings; and further, in connection therewith, to perform on behalf of Owner at Owner's cost, Owner's obligations under tenant leases.

(b) at Owner's expense, select, employ, supervise, compensate and direct a sufficient kind and number of employees, servants and contractors to provide building services and, as may be necessary, to provide proper physical operation and maintenance of the Building; subject, however, to Owner's right, in its sole discretion, to approve the number, qualifications, salaries and benefits (except as may be governed by law or union contracts) of such employees and to require Agent to terminate or discharge any employee, servant or contractor for any reasonable cause; provided, however, that except for liability resulting from the gross negligence or willful misconduct of Agent, Owner shall indemnify, appear and defend and hold harmless Agent, its shareholders, officers, directors, employees, and agents from any and all claims and liability and attorney's fees incurred which may result from (i) the hiring, transferring, suspending, laying off, recalling, promoting, discharging, assigning, retraining, disciplining or directing of any employee, servant or contractor by Agent; or (ii) any violation of any law or regulation governing any employment relationship with any employee, servant or contractor, including, but not limited to, Title VII of the Civil Right Act of 1964; the Civil Rights Act of 1966; the Equal Pay Act; the National Labor Relations Act; the Rehabilitation Act of 1973; the Illinois Unemployment Insurance Act; the Occupational Safety and Health Act; the Illinois Human Rights Act; the Fair Labor Standards Act; Executive Order 11246; Age Discrimination in Employment Act; the Illinois Minimum Wage and Overtime Act; Illinois Wage Payment and Collection Act; the Employee Retirement Insurance Security Act; the Illinois Workers' Compensation Act or other act of general application to Agent's obligations hereunder. This Paragraph (b) shall survive the termination or expiration of this Agreement.

(c) manage the Building in full compliance with all applicable regulations and ordinances (federal, state, county and city), and shall obtain at Owner's expense all necessary permits, licenses and other approvals required by any governing authority with jurisdiction over the Building (except for business licenses required by Agent which shall be obtained at Agent's expense), and shall cause to be prepared and filed on a timely basis all returns, reports and forms required by law with respect to the operation of the Building (exclusive of those relating to income taxes). The Agent may, in its discretion and with the prior approval of Owner, appeal any governmental requirement it deems unwarranted and it may with like approval compromise or settle any dispute regarding such requirements;

(d) advise and consult with Owner with respect to matters of safety and security and any additional matters that may substantially alter the use and operation of the Building, provided that Owner shall be ultimately responsible for the final approval and direction of such matters;

(e) promptly notify Owner of any matters which may come to the attention of Agent which in Agent's reasonable judgment require attention and which are the sole obligations of Owner hereunder,

(f) engage at Owner's expense legal counsel acceptable to Owner to advise on legal matters and conduct legal proceedings arising in the performance of the Agent's duties hereunder including, without limitation, collection of past due rentals or delinquent accounts. Whenever the services of an attorney or legal assistant are deemed advisable by Agent, Agent may retain outside legal assistants, or, to the extent approved by Owner, may use the services of in-house attorneys or legal assistants on Agent's staff, or on the staff of any company affiliated or associated with Agent. The retention or use of any such outside or in-house attorneys or legal assistants shall be at Owner's sole cost and expense. Except to the extent prohibited or limited by law or other agreement, reimbursement for services provided by in-house attorneys or legal assistants shall be at hourly rates comparable to and competitive with rates charged for similar services by comparable outside attorneys and legal assistants, as Agent shall determine from time to time in Agent's sole good faith discretion. This Agreement shall not be construed to require that Agent or its affiliates or associated companies provide legal services, and the provision of such services shall not be construed as the practice of law by such parties;

(g) provide the usual management services in connection with labor union relations, including the computation of withholding taxes, hospitalization, group life insurance and disability insurance to the extent required by law or union contract; provided, that Agent is hereby authorized by Owner to negotiate

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for the best interest of Owner with any labor unions including negotiating as part of an industry-wide collective bargaining unit consisting of representatives of more than one office building provided that any collective bargaining agreement shall be executed by Owner or by Agent as the agent of Owner;

(h) not use or knowingly permit any tenant or person to use the Building for any purpose whatsoever in violation of any present or future statutes, laws or ordinances of the United States of America, the State of Illinois, the County of Cook, or the City of Chicago, or of any rules or regulations of any governmental body with jurisdiction over the Building, and shall not use or knowingly permit any person to use the Building for any illegal purpose and shall promptly notify Owner of notice of any violation thereof;

(i) at all times keep the Building and related areas (including, but not limited to, mechanical rooms, elevator rooms, machine rooms, telephone closets and electrical closets) in a clean, sightly and healthful condition;

(j) at the expense of Owner and in accordance with the Budget (hereinafter defined), cause to be made such ordinary repairs and maintenance to the Building and purchase such supplies, tools and equipment for the normal maintenance and operation thereof as Agent deems necessary and advisable; provided, however, that Agent will not authorize repairs for any one item not otherwise set forth in the Budget and identified as a recognized recurring expense in excess of \$10,000.00 or to exceed one (1) year without the prior approval of Owner except in those cases when, in Agent's opinion, an emergency requires such action before the approval of Owner can reasonably be obtained; provided, further, that all such emergency cases shall be reported to Owner with reasonable promptness. In the event the Agent becomes aware that the condition of the Building or any part thereof requires any major repairs or structural alterations the Agent shall immediately notify the Owner. In connection with making repairs the Agent may, at the Owner's expense, and with the prior approval of Owner (except in the case of an emergency when prior approval shall not be required) engage architects, engineers and similar professionals and experts;

(k) contract, at the expense of Owner and in accordance with the Budget, for electricity, gas, water, extermination, telephone, elevator, window cleaning, scavenger, extermination, janitorial, snow removal, landscaping maintenance, lighting maintenance, security and other services it deems appropriate in the operation and maintenance of the Building for a period in each case (unless agreed to the contrary) not to exceed one (1) year with a cancellation right upon thirty (30) days prior notice whenever possible in case of contracts other than multi-year standard contracts automatically negotiated in the local metropolitan area with respect to management of similar buildings;

(l) cause to be paid mortgage interest and amortization, real estate taxes, ground rent, water and sewer charges, and other charges, fees or assessments, if any, with respect to the Building from Gross Receipts or funds otherwise provided by Owner. Real estate tax bills, notices of proposed increases in assessed valuation and other communications regarding real estate taxes shall be sent directly to the Agent (and Agent is hereby authorized to so instruct the Office of County Treasurer and Collector) and upon receipt Agent will immediately provide copies of said documents to Owner. The Agent, may in its discretion and with the prior approval of Owner defend against or seek revision of, or appeal from, any assessment or charge which it deems excessive or improper and all such actions may be taken in its name as Agent for Owner. In connection with such actions the Agent may, with the prior approval of Owner, employ real estate experts for appraisals and testimony, employ attorneys in connection with reduction of taxes, charges or assessments, pay any such taxes, charges or assessments under protest and seek refunds thereof, and compromise any proceeding or claim with respect thereto. The expense of such proceedings shall be paid by the Owner;

(m) collect and remit all rents and other income and collect all taxes which may be due and owing by tenants or other users of the Building; and in the case of taxes make and file all such returns as are necessary in connection therewith with all appropriate governmental agencies and remit such taxes as and when due and, when necessary, shall institute any and all legal actions or proceedings to effect such collections or the eviction of tenants or other persons.

(n) carefully review all bills received for operating the Building and shall pay all such proper bills as and when they become due out of Gross Receipts;

(o) cause to be prepared and filed with respect to those employees working at the Building hired by Agent any and all returns and/or reports required by any federal, state, county or city authority, including without limitation those returns and/or reports relating to the withholding of income taxes and/or social security taxes and unemployment insurance;

(p) promptly consider and attend to the reasonable complaints and/or comments of users of the Building;

(q) maintain one or more bank accounts at federally insured banks in Chicago, Illinois as necessary for the deposit of all Gross Receipts and other amounts derived from its management of the Building and for the payment of all Operating Expenses;

(r) obtain and maintain the insurance as specified in Paragraph 6 below;

(s) cause to be prepared and submitted the Monthly Reports (as hereinafter defined) and to remit to Owner the funds obtained from the management of the Building as provided in Section 5(a).

Agent shall not perform or promise to perform any services for tenants other than the usual services customarily supplied by owners or lessors of other similar buildings unless otherwise provided for herein in or instructed by Owner and agreed to by Agent;

Agent acknowledges that under that certain Brokerage and Leasing Agreement dated as of even date hereof (a copy of which Agent has received and familiarized itself with), M & J Wilkow Brokerage Services, Corporation ("Leasing Agent") is the exclusive leasing agent for the Building and that at all times the Agent shall cooperate with Leasing Agent or its successor in meeting the obligations of Leasing Agent.

Any service not expressly included hereunder as part of the Basic Services to be performed by Agent shall be deemed to be an additional service entitling Agent to additional compensation as provided in Section 3 of this Agreement.

5. Monthly Reports; Gross Receipts; Operating Expenses; Maintenance of Records; Audit; Budgets.

(a) Monthly Report. Agent shall on or before the thirtieth (30) day of each month cause to be prepared and submitted to Owner a report (the "Monthly Report") of all Gross Receipts and Operating Expenses (as both such terms are hereinafter defined) received or expended in connection with the operation of the Building during the preceding month and shall remit to Owner the excess, if any, of Gross Receipts over Operating Expenses for such month, minus such amounts necessary to establish and thereafter replenish a working reserve which shall be funded in such amounts mutually approved by Owner and Agent but in any event sufficient at all times to assure the uninterrupted and efficient management of the Building by Agent hereunder (hereinafter referred to as "Working Capital Reserve"). Such Monthly Report shall be in the form of a comparative report indicating both the budgeted and actual Gross Receipts and Operating Expenses and indicating by explanatory note or otherwise material discrepancies between such projected and actual figures.

(b) Gross Receipts. Gross Receipts shall include (i) all amounts collected by Agent or Owner as rents or other charges or other payment of any nature for the use and occupancy of the Building including, without limitation, the proceeds from services performed by Agent for tenants as provided herein, lease termination payments and proceeds of rent or business interruption insurance, and (ii) solely to the extent and when paid by Tenants or other occupants of the Building as an expense constituting additional rent, the value of any rent abatement given by Owner to any tenant which reduces such tenant's rental or other payments below the rental and other charges to such tenant as otherwise set forth in such lease. Gross Receipts shall not include, however, (i) reimbursements by tenants or others for costs incurred on their behalf by the Owner, (ii) interest or other passive income on temporary investments, (iii) proceeds from any partial or complete taking under any condemnation or eminent domain proceeding or insurance proceeds other than business interruption insurance proceeds, (iv) tenant security deposits (unless applied to unpaid rent or other charges), or (v) discounts, rebates and dividends on insurance premiums or policies.

(c) Operating Expenses. Operating Expenses means the total of all expenditures made by Agent that are incurred in connection with Agent's management of the Building. Operating Expenses shall include, without limitation, amounts paid or set aside for:

- (i) wages and/or salaries paid to all personnel, payroll taxes and union benefits on account of said personnel and fringe benefits such as for vacation pay, pensions, and health and welfare programs;
- (ii) personnel uniforms, laundry and related items;

- (iii) telephone services, travel related costs;
- (iv) permits, licenses and/or other approvals as provided herein for the management of the Building (except for any business license required by Agent);
- (v) procurement and maintenance of insurance as required of Agent, under Section 6 of this Agreement;
- (vi) repairs and maintenance (including proportionate share of the cost of an off-site maintenance/office facility where necessary);
- (vii) service contracts;
- (viii) signs;
- (ix) data processing and accounting services, including internal auditing expenses and expenses for preparing all reports required hereunder;
- (x) forms and other supplies and postage necessary for the operation of the Building;
- (xi) legal fees and processing and defending damage claims and payments of uninsured damage claims or deductible amounts under such insurance policies; and
- (xii) the Management Fee;
- (xiii) Owner's obligations under subparagraph 7(f);
- (xiv) reserves for contingencies and necessary replacements as provided for in the Budget;
- (xv) any other services, supplies or necessary or required functions provided either by Agent or its affiliates, but not including any such cost or expense to be paid for such services, supplies or functions to Agent by Owner as an additional reasonable fee or otherwise provided by Agent as part of its management duties as provided in this Agreement.

(d) Maintenance of Records. Agent agrees that it will retain its general books of account reflecting the sources and amounts of Gross Receipts and Operating Expenses with respect to its management of the Building for a minimum of two (2) years. Agent further agrees to allow Owner's employees, accountants, attorneys and designated representatives, at Owner's cost, to inspect said records at any and all reasonable times during normal business hours upon reasonable prior notice to Agent. Following such two (2) year period, Agent at Owner's expense, may deliver such general books of account to Owner for storage at a location to be designated by Owner.

(e) Annual Report; Adjustments to Management Fee. Within one hundred twenty (120) days following each calendar or fiscal year, Agent shall deliver to Owner an annual statement of receipts and disbursements with appropriate supporting schedules attached ("Annual Report"). Such annual statement shall be in the form of a comparative report similar to the format of the Monthly Reports. Except with respect to matters relating to the amount of and manner of calculating the Management Fee (including but not limited to the inclusion or exclusion of items as constituting Gross Receipts) the Annual Report shall be conclusive and binding upon both Agent and Owner. Within one-hundred eighty (180) days following the delivery of the Annual Report to Owner, Owner or Agent may object to the manner of calculation or the amount of the Management Fee for such period to which the Annual Report relates. If no objection is raised during such period by either party the amount of Management Fee shall be deemed to be correct and neither Owner nor Agent shall thereafter be entitled to request an adjustment of such Management Fee. In the event that any such objection is raised by either party during such one-hundred eighty (180) day period and the parties are unable to resolve such objection prior to the end of such one-hundred eighty (180) day period, such dispute shall be promptly submitted to binding arbitration at the Chicago, Illinois office of the American Arbitration Association in accordance with its then existing Commercial Arbitration Rules. The fees and costs of such arbitration (exclusive

of counsel fees) shall be borne equally by the Agent and Owner. Counsel fees incurred by the prevailing party shall be paid for by the other party.

(f) Budgets. At least thirty (30) days before the beginning of each calendar year or fiscal year established by the Owner during the Term hereof, Agent shall prepare and submit to the Owner for approval an operating budget (hereinafter referred to as "Budget") setting forth an itemized statement of the anticipated income and costs of operation of the Building for said calendar or fiscal year, taking into account the general condition of the Building, all anticipated increases in costs plus reserves for contingencies and necessary replacements and a Working Capital Reserve. The Owner shall notify the Agent in writing the later of at least ten (10) days before the beginning of a calendar year or fiscal year or thirty (30) days following Agent's submittal of the Budget if such submittal is delayed for any reason, if the Budget prepared and submitted to Owner by the Agent is approved or disapproved; provided, however, that should Owner fail to send Agent said notice within the aforementioned time period, the Budget shall be deemed to be approved in all respects by Owner. In case of a dispute between Owner and Agent with regard to the Budget, pending the settlement thereof, the Agent shall be entitled to continue to operate the Building in accordance with the standards set forth herein at levels of expenditures comparable to those for the preceding calendar or fiscal year, and in connection therewith to make such expenditure from Owner's funds as Agent deems reasonably necessary, exclusive of capital improvements, for such continued operations.

(6) Insurance to be Procured and Maintained by Agent; Waiver of Subrogation. Subject to Owner's review and approval, Agent shall at all times during the Term of this Agreement, maintain insurance coverages of the type and in the manner as follows with respect to the performance of its activities hereunder:

(a) comprehensive general liability insurance; workmen's compensation insurance; employer's liability insurance for all of Agent's employees not covered by the Workmen's Compensation Act for occupational accidents or diseases; and any such additional insurance which is or may be required of Agent under any Mortgage.

(b) fidelity bonds covering Agent's employees in job classifications normally bonded in other similar buildings it manages to the extent such coverage is requested in writing by Owner.

(c) all such insurance as aforesaid shall be satisfactory to Owner and Agent, all such policies shall be in such form, issued by such companies who are licensed to do business in the state of Illinois and have an "A" rating by Best, and to the extent applicable shall name Owner as an additional insured thereunder and provide that they may not be cancelled or altered without at least thirty (30) days' prior written notice to Owner and Agent.

(d) Agent shall be under no obligation whatsoever to procure any insurance policy insuring the Building against loss or damage by fire, lightning or any other hazards or casualties commonly covered under "Extended Coverage" property damage insurance policies. In the event Owner procures any such insurance policy, (i) all costs relating thereto shall be Owner's sole expense, and (ii) Agent shall be named as an additional insured under such policy only to the extent of Agent's interest in any personal property located within the Building.

(e) Owner and Agent hereby waive any rights each may have against the other on account of any loss or damage occasioned to Owner or Agent, as the case may be, their respective property, the Building, or its contents, arising from any risk covered under valid and collectible fire and extended coverage or any other forms of property damage insurance policies then in effect to the extent of any recovery collectible under such insurance policies. The parties each, on behalf of their respective insurance companies insuring the property of either Owner or Agent against any such loss, waive any right of subrogation that such companies may have against Owner or Agent, as the case may be. Owner and Agent covenant with each other that, to the extent such insurance endorsement is available, they will each obtain for the benefit of the other a waiver of any right of subrogation from their respective insurance companies. In the event any additional cost is involved in obtaining such an endorsement, the party benefiting from such endorsement may elect to pay such cost or waive the right to subrogation otherwise provided herein.

(f) Application of Loss Proceeds. In the event of any loss or damage covered under any form of fire or other property damage insurance, Agent shall give immediate notice thereof to Owner, and Owner may make proof of such loss or damage, if the same is not promptly made by Agent or if the Owner deems it desirable to do so. In the event of such loss or damage, unless otherwise agreed: (1) all proceeds of insurance shall be payable to Owner, (2) any affected insurance company is authorized and directed to make payment thereof directly to Owner and (3) Agent is authorized and empowered to settle, adjust or compromise any claims

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for loss or damage under any policy or policies of insurance which do not exceed \$25,000. Accordingly, any such small claims may be adjusted by the Agent without Owner's consent. Agent agrees to execute upon demand by Owner all receipts, vouchers, releases and other instruments which may be necessary or desirable in aid of the aforementioned authorizations.

7. Obligations of Owner. During the Term of this Agreement, it shall be the obligation of Owner at Owner's expense:

(a) to perform major repairs to the Building as necessary to preserve its structural integrity unless said responsibility is delegated to and accepted by Agent and an additional reasonable fee is paid Agent as provided herein;

(b) to pay any and all personal property taxes and real estate taxes levied with respect to the Building unless said responsibility is delegated to the Agent as provided herein;

(c) to appear and defend and to hold and save Agent and Agent's shareholders, officers, directors, employees and agents free and harmless from any claim or liability for damages relating to injuries to persons or damage to property by reason of any cause whatsoever, either in or about the Building or elsewhere when Agent and Agent's shareholders, officers, directors, employees are acting pursuant to the terms of this Agreement provided, however, Owner shall have no liability hereunder to the extent of any claim or liability for damages or injury which Agent and Agent's shareholders, officers, directors, employees may suffer by reason of Agent's and Agent's shareholders', officers', directors', employees' gross negligence or willful misconduct; or by reason of Agent's failure to comply knowingly with or abide by any rule, order, determination, ordinance or law of any federal, state, county or city authority; This Paragraph (c) shall survive the termination or expiration of this Agreement;

(d) to reimburse Agent upon demand for any monies which Agent expends pursuant to this Agreement, or as an expense in defense of, any claim or civil action, proceeding, charge or prosecution made, instituted or maintained against Agent or Owner and Agent, jointly or severally, affecting or due to the conditions or use of the Building, or acts or omissions of Agent or employees of Owner or Agent, or arising out of or based upon any law, regulation, requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of current or former employees, servants or contractors employed hereunder, except for Agent's gross negligence, willful act or fraud;

(e) to defend promptly and diligently, any claim, action or proceeding brought against Agent or Agent and Owner, jointly or severally, arising out of or connected with any of Agent's duties or responsibilities under this Agreement, except for Agent's gross negligence, willful act or fraud and to appear and defend and hold harmless and fully indemnify Agent from any judgment, loss, damage or expense, including but not limited to attorneys' fees, or settlement on account thereof;

(f) to provide Agent with an appropriate office (the "Management Office") in the Building, if necessary, on a rent free basis to enable Agent to carry out its duties and responsibilities hereunder. All costs of maintaining the Management Office, including, without limitation, utilities, costs of secretarial and bookkeeping personnel, and office equipment shall be a cost of Owner hereunder.

8. Owner's Mortgage. Agent acknowledges and agrees that Owner may from time to time assign this Agreement as additional security for a loan or loans secured by a mortgage or other lien or encumbrance on any portion of the Building (the "Mortgage").

9. Owner's Remedies Upon Default. If (i) Agent shall fail to substantially perform any of its obligations and agreements hereunder in any material respect, and such failure shall continue for thirty (30) days after written notice thereof from Owner specifying with particularity the alleged default (unless in the case of a default which cannot reasonably be corrected or cured within thirty (30) days where the Agent shall have commenced and shall continue to be pursuing all action believed by the Agent in good faith to be reasonably necessary to cure such default), or (ii) if Agent or its employees or agents shall engage in any fraudulent conduct related to Agent's obligations to Owner or misappropriation of funds of Owner (an "Event of Default"), then Owner shall have the right, at its election to declare this Agreement terminated upon five (5) days' written notice to Agent specifying as the specific date of termination a date not less than five (5) nor more than thirty (30) days from the date such notice is given in accordance with the notice provisions of Section 12 of this Agreement. Owner's sole remedy for the occurrence of an Event of Default shall be the right to terminate this Agreement

as provided herein and Owner hereby waives any other remedy, right or cause of action or other proceeding at law or equity with respect to such Event of Default; provided, however, the foregoing shall not operate so as to exclude any remedy at law or in equity that Owner may have against Agent for gross negligence, willful misconduct, fraud or misappropriation of funds.

10. Assignment of Agreement.

(a) Except as described in Section 8 above, this Agreement may not be transferred, assigned, sold or, in any manner, pledged or hypothecated by the Agent without the prior written consent of the Owner, which consent may not be unreasonably withheld; provided, however, Agent may without the prior consent of Owner, at Agent's expense, assign this Agreement or subcontract or otherwise delegate the performance of its duties hereunder to a parent, subsidiary or persons or entity affiliated with Agent or Marc R. Wilkow or Clifton J. Wilkow or both Marc R. Wilkow and Clifton J. Wilkow or any entity controlled by or under common control with such parties.

(b) In the event that this Agreement is assigned by Owner or is assigned by Agent as provided herein, all of the covenants, agreements, conditions and undertakings in this Agreement contained shall extend to and be binding upon the respective successors and assigns of the respective parties hereto, the same as if they were in every case named and expressed, and the same shall be construed as covenants running with the Real Property subject hereto and, wherever the words "Owner" and "Agent" are used in this Agreement, they shall include the respective successors and assigns of Owner and Agent.

(c) Agent an Independent Contractor. Agent acknowledges and agrees that its relationship to Owner is that of independent contractor and it will not represent to anyone that its relationship to Owner is other than that of an independent contractor. This Agreement shall not be deemed to create a partnership or joint venture relationship between Agent and Owner.

11. Termination for Reasons Other Than an Event of Default.

The occurrence of any of the following contingencies during the Term of this Agreement shall be deemed a breach of this Agreement, and Owner or Agent, as the case may be, at its option, may terminate this Agreement upon prior written notice to the other party:

- (i) Owner or Agent shall make an assignment for the benefit of creditors, or
- (ii) a voluntary petition is filed by Owner or Agent under any law having for its purpose the adjudication of Owner or Agent as a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement, or satisfaction of the liabilities of Owner or Agent or to which any property of Owner or Agent may be subject or the reorganization (other than a reorganization not involving the liabilities of Owner or Agent) or involuntary liquidation of Owner or Agent, or
- (iii) an involuntary petition is filed against Owner or Agent under any law having for its purpose the adjudication of Owner or Agent as a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of Owner or Agent to which any property of Owner or Agent may be subject or the reorganization (other than an organization not involving the liabilities of the Owner or Agent) or liquidation of Owner or Agent and such petition is not dismissed within sixty (60) days, or
- (iv) a permanent receiver is appointed for the property of Owner or Agent by reason of the insolvency or alleged insolvency of Owner or Agent, or
- (v) a temporary receiver is appointed for the property of Owner or Agent by reason of the insolvency or alleged insolvency of Owner or Agent and such temporary receiver is not discharged or removed within sixty (60) days of such appointment, or
- (vi) any department of the state or federal government or any officer thereof, duly authorized (other than as provided in (iv) and (v) above), shall take possession of the business or the property of Owner or Agent by reason of the insolvency or alleged insolvency of Owner or Agent, or
- (vii) Owner or Agent is adjudicated a bankrupt, or

(viii) Owner shall sell the Real Property including the Building (including any conveyance by way of foreclosure or delivery of a deed in lieu of foreclosure or

(ix) Owner shall elect to demolish the Building.

12. Notices. Any and all notices (including delivery of Monthly Reports and other reports to be provided hereunder) required or desired to be given hereunder shall be personally delivered or made by registered or certified mail, return receipt requested, addressed to the parties at the following respective addresses or at such other addresses as the parties hereafter may designate:

If to Owner: SOCALCO LIMITED PARTNERSHIP
180 North Michigan Avenue
Suite 2000
Chicago, Illinois 60601

If to Agent: M & J WILKOW MANAGEMENT CORPORATION
Suite 2000
180 North Michigan Avenue
Chicago, Illinois 60601
Attention: Clifton J. Wilkow

Unless otherwise herein provided, any such notice or demand shall be deemed given when personally delivered or, if mailed, when deposited in the United States Mail, postage prepaid in the manner above provided. All payments due hereunder shall, unless otherwise so directed by the receiving party, be paid at such addresses.

13. Effect of Termination. Upon termination hereof by lapse of time, default or otherwise, the parties shall nevertheless remain obligated for and shall pay all amounts accrued for the period prior to such termination and shall prepare, file and deliver such reports, statements, tax returns and other documents for the period through such termination date. The indemnities as provided under Paragraph 7 hereof shall survive the termination of this Agreement. Any termination of this Agreement shall not relieve any party hereunder of any obligation to pay any amounts accrued hereunder but not paid at the time of such termination.

14. Waiving of Lien. Agent hereby knowingly and expressly waives any right to a lien under the Illinois Mechanic's Lien Act, Illinois Revised Statutes Chapter 82, Paragraph 1 et. seq. to secure the payment of any funds due Agent.

15. Miscellaneous.

(a) The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

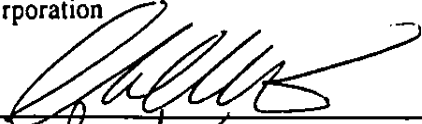
(b) This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

(c) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and there are no prior or contemporaneous oral or written representations, promises or agreements not expressly referred to herein. This Agreement cannot be amended or modified hereafter except by a written agreement signed by the party to be affected thereby.

(d) All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, permitted transferees and assigns and shall run with and be binding upon the Real Property.

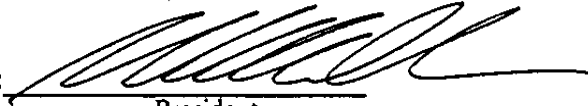
(e) Paragraph headings are included solely for convenience, are not to be considered part of this Agreement, are not intended to modify, explain or to be a full or accurate description of the content thereof and should be ignored in connection with any construction of the terms and provisions of this Agreement.

M & J WILKOW MANAGEMENT CORPORATION
an Illinois corporation

By: 
Its President

SOCALCO LIMITED PARTNERSHIP

By: MJW Investments, Ltd.

By: 
President

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