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Cook County Recorder 41.00



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SUBORDINATION AND ATTORNMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 25th day of October, 2001, by and between **JOHN MARKS AND MARK IV REALTY GROUP, INC.**, an Illinois corporation, ("**Tenant**"), **HRH CHICAGO, LLC**, an Illinois limited liability company ("**Landlord**"), **ST. GEORGE HOTEL, L.L.C.**, an Illinois limited liability company ("**Beneficiary**"), **FIRSTAR BANK, N.A.**, not personally but solely as Trustee under Trust Agreement dated October 10, 2001 and known as Trust No. 7504 ("**Trustee**", and together with Beneficiary, "**Owner**") and **U.S. BANK NATIONAL ASSOCIATION**, its successors and assigns individually and as agent of one or more banks pursuant to one or more Assignment and Acceptance Agreements ("**Mortgage**").

RECITALS:

A. Mortgagee is the holder of a certain Construction Mortgage and Security Agreement, with Assignment of Leases and Rents and Fixture Filing dated Oct. 25, 2001, to be recorded concurrently herewith (as amended from time to time, "Mortgage") encumbering the Real Estate (hereinafter defined) and securing a principal indebtedness in an amount equal to Forty Nine Million and 00/100 Dollars (\$49,000,000.00).

B. Landlord has entered into a lease agreement dated Oct. 25, 2001 with Owner, pursuant to which Landlord leased certain premises consisting of the land and the improvements located in the building ("Building") on the parcel of land ("Land") legally described in Exhibit A attached hereto (the Land and Building herein being collectively referred to as "Real Estate").

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

Scott M. Lapins
SCHWARTZ, COOPER, GREENBERGER
& KRAUSS
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601

Permanent Index No.:

See Exhibit "A" attached

Address of Property:

222-230 N. Michigan Avenue
Chicago, Illinois

BOX 333-CTI

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C. Tenant has entered into a Lease Agreement (such lease agreement hereinafter being referred to as "Lease Agreement", and the Lease Agreement, together with all amendments and modifications thereof, hereby being referenced to as "Lease") dated _____, 2001 with Landlord pursuant to which Tenant leased certain premises ("Leased Premises") consisting of the 27th, 37th and 38th floors of the Building (the "Leased Premises").

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

1. Tenant represents and warrants to Mortgagee that the Lease constitutes the entire agreement between Tenant and Landlord with respect to the Leased Premises and there are no other agreements, written or verbal, governing the tenancy of Tenant with respect to the Leased Premises.

2. Prior to pursuing any remedy available to Tenant under the Lease, at law or in equity as a result of any failure of Landlord to perform or observe any covenant, condition, provision or obligation to be performed or observed by Landlord under the Lease (any such failure hereinafter referred to as a "Landlord's Default"), Tenant shall: (a) provide Mortgagee with a notice of Landlord's Default specifying the nature thereof, the section of the Lease under which same arose and the remedy which Tenant will elect under the terms of the Lease or otherwise, and (b) allow Mortgagee not less than thirty (30) days following receipt of such notice of Landlord's Default to cure the same; provided, however, that, if such Landlord's Default is not readily curable within such thirty (30) day period, Tenant shall give Mortgagee such additional time as Mortgagee may reasonably need to obtain possession and control of the Real Estate and to cure such Landlord's Default so long as Mortgagee is diligently pursuing a cure. Tenant shall not pursue any remedy available to it as a result of any Landlord's Default unless Mortgagee fails to cure same within the time period specified above. For purposes of this Paragraph 2 a Landlord's Default shall not be deemed to have occurred until all grace and/or cure periods applicable thereto under the Lease have lapsed without Landlord having effectuated a cure thereof.

3. Tenant covenants with Mortgagee that the Lease shall be subject and subordinate to the lien and all other provisions of the Mortgage and to all modifications and extensions thereof, to the full extent of all principal, interest and all other amounts now or hereafter secured thereby and with the same force and effect as if the Mortgage had been executed and delivered prior to the execution and delivery of the Lease. Without limiting the generality of the foregoing subordination provision, Tenant hereby agrees that any of its right, title and interest in and to insurance proceeds and condemnation awards (or other similar awards arising from eminent domain proceedings) with respect to damage to or the condemnation (or similar taking) of any of the Real Estate, shall be subject and subordinate to Mortgagee's right, title and interest in and to such proceeds and awards.

4. Tenant further agrees that in the event that Mortgagee or any future holder of the Mortgage shall become the owner of the Real Estate by foreclosure of the Mortgage, or otherwise, or if the Real Estate shall be sold by reason of any action or proceeding to foreclose the Mortgage

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or transfer of ownership by deed given in lieu of foreclosure, the Tenant shall be deemed to be on default under the Lease without right to cure such default.

5. Tenant acknowledges that Landlord has collaterally assigned to Mortgagee all leases affecting the Real Estate, including the Lease, and the rents and other amounts, including, without limitation, lease termination fees, if any, due and payable under such leases. In connection therewith, Tenant agrees that, upon receipt of a notice of a default by Landlord under such assignment and a demand by Mortgagee for direct payment to Mortgagee of the rents due under the Lease, Tenant will honor such demand and make all subsequent rent payments directly to Mortgagee. Tenant further agrees that any Lease termination fees payable under the Lease shall be paid jointly to Landlord and Mortgagee.

6. If Mortgagee or any future holder of the Mortgage shall become the owner of the Real Estate by reason of foreclosure of the Mortgage or otherwise, or if the Real Estate shall be sold as a result of any action or proceeding to foreclose the Mortgage or transfer of ownership by deed given in lieu of foreclosure, the Lease shall terminate and be of no further force and effect.

7. Any notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Mortgagee: U.S. Bank National Association
701 Lee Street
Des Plaines, Illinois 60016
Attn: James J. West

With a copy to: Schwartz, Cooper, Greenberger & Krauss
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: Scott M. Lapins

To Tenant: Mark IV Realty
233 N. Michigan Avenue
Chicago, Illinois 60601
Attn: John Marks

With a copy to: McBride, Baker & Coles
500 West Madison Street
40th Floor
Chicago, Illinois 60661-2511
Attn: Elias N. Matsakis

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or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

8. Tenant acknowledges and agrees that Mortgagee will be relying on the representations, warranties, covenants and agreements of Tenant contained herein and that any default by Tenant hereunder shall permit Mortgagee, at its option, to exercise any and all of its rights and remedies at law and in equity against Tenant and to join Tenant in a foreclosure action thereby terminating Tenant's right, title and interest in and to the Leased Premises.

9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns and any nominees of Mortgagee, all of whom are entitled to rely upon the provisions hereof. This Agreement shall be governed by the laws of the State of Illinois.

10. This Agreement may be executed in multiple counterparts and all of such counterparts together shall constitute one and the same Agreement.

10. This instrument is executed by Firstar Bank, N.A., not personally but as Trustee under Trust No. 7504 as aforesaid, in the exercise of power and authority conferred on and vested in said Trustee as such, and it is expressly understood and agreed that nothing in said document contained shall be construed as creating any liability on said Trustee personally to pay any indebtedness accruing thereunder, or to perform any promises, agreements or covenants or to honor any warranties or representations, either expressed or implied, including but not limited to warranties (including but not limited to warranties of title, physical condition, environmental condition, merchantability, and fitness for particular purpose), indemnifications (including but not limited to indemnifications for injury to persons or property, for environmental liability, and for liability or damages resulting from or relating to claims or matters of any nature whatsoever), and hold harmless representations in said instrument (all such liability, if any, being expressly waived by the parties hereto and their respective successors and assigns) and that so far as said Trustee is concerned, the owner or any indebtedness or right accruing under said document shall look solely to the premises described therein for the payment or enforcement thereof, it being understood that said Trustee merely holds legal title to the premises described therein and has no control over the management thereof or the income therefrom, and has no knowledge respecting any factual matter with respect to said premises, except as represented to it by the beneficiary or beneficiaries of said trust. In event of conflict between the terms of this paragraph and of this Agreement, on any questions of apparent liability or obligation resting upon said trustee, the provisions of this paragraph shall be controlling.

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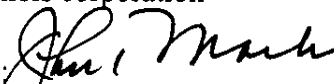
IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

Tenant:



John Marks

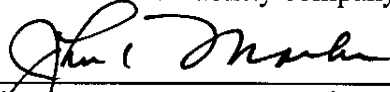
MARK IV REALTY GROUP, INC., an Illinois corporation

By: 

Its: _____, President

Landlord:

HRH CHICAGO, LLC,
an Illinois limited liability company

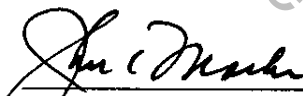
By: 

As: *Manager of Marks/McDonald, LLC, a member of 230 N. Michigan, LLC, a Manager of HRH Chicago, LLC*

Owner:

ST. GEORGE HOTEL, L.L.C.,
an Illinois limited liability company

By: Niki Development, L.L.C.,
an Illinois limited liability company,
its member

By: 

John Marks, its manager

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FIRSTAR BANK, N.A., not personally but solely as Trustee as aforesaid

By: [Signature]
Its: JUNE STOUT, Vice Pres.

Attest: [Signature]
Its: LAND TR. OFFICER.

Mortgagee:

U.S. BANK NATIONAL ASSOCIATION,
a national banking association

By: _____
Name: _____
Title: _____

Property of Cook County Clerk's Office

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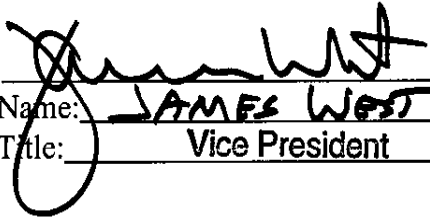
FIRSTAR BANK, N.A., not personally but
solely as Trustee as aforesaid

By: _____
Its: _____

Attest: _____
Its: _____

Mortgagee:

U.S. BANK NATIONAL ASSOCIATION,
a national banking association

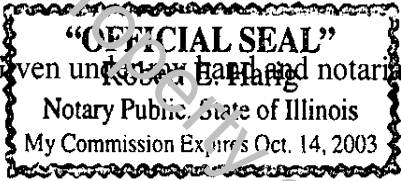
By:  _____
Name: JAMES WEST
Title: Vice President

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Robert E. Harig, a Notary Public in and for said County in the State aforesaid, do hereby certify that JOHN MARKS, BOTH INDIVIDUAL, a PRESIDENT of MARK IV BEATH, INC, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said partnership/corporation, for the uses and purposes set forth therein.

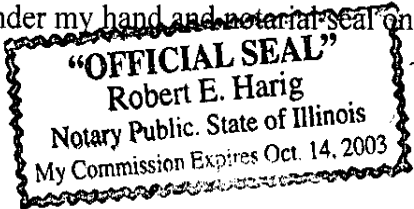


Given under my hand and notarial seal on _____, 20__.

Robert E. Harig
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Robert E. Harig, a Notary Public in and for said County in the State aforesaid, do hereby certify that JOHN MARKS, ~~INDIVIDUAL~~, a ~~MEMBER~~ MEMBER of MARKS/McDONALD BT LLC, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such MEMBER, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said partnership/corporation, for the uses and purposes set forth therein.



Given under my hand and notarial seal on _____, 20__.

Robert E. Harig
Notary Public

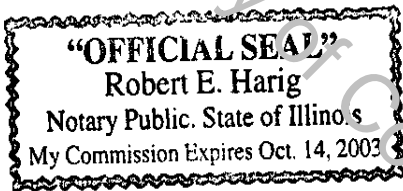
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, ROBERT E. HARIG, a Notary Public in and for said County, in the State aforesaid, do hereby certify that JANE STOUT, the VICE PRES. of Firststar Bank, N.A. as Trustee, and MARY FUGEL, the LAND TRUST OFFICER thereof, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such VICE PRES. and LAND TRUST OFFICER, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 25th day of October, 2001.



Robert E. Harig
NOTARY PUBLIC
(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____, a _____ of U.S. BANK NATIONAL ASSOCIATION, who is personally known to me to be to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes set forth therein.

Given under my hand and notarial seal on _____, 20__.

Notary Public

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STATE OF _____)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, the _____ of Firstar Bank, N.A. as Trustee, and _____, the _____ thereof, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this _____ day of _____, 2001.

NOTARY PUBLIC

(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Sonia Fernandez, a Notary Public in and for said County in the State aforesaid, do hereby certify that James J. West, a U.P. of U.S. BANK NATIONAL ASSOCIATION, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes set forth therein.

Given under my hand and notarial seal on 10-24, 2001.



Sonia Fernandez
Notary Public

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EXHIBIT A

Legal Description of Real Estate

LOTS 10, 11, 12, 13, 14, AND 15 IN BLOCK 7 IN FORT DEARBORN ADDITION
TO CHICAGO IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF
THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 222 and 230 North Michigan Avenue
Chicago, Illinois

PINS: 17-10-303-024-0000

Property of Cook County Clerk's Office