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**THIS INSTRUMENT WAS PREPARED
BY AND AFTER RECORDING RETURN**

**TO: Kristi S. Poskus
Illinois Housing Development
Authority
401 N. Michigan Ave., Suite 700
Chicago, Illinois 60611**

Doc#: 1336413028 Fee: \$54.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 12/30/2013 01:26 PM Pg: 1 of 9

Permanent Tax Index

Identification Nos.:

17-34-305-004-0000; 17-34-305-005-0000
17-34-305-006-0000; 17-34-305-007-0000
17-34-305-008-0000; 17-34-305-009-0000
17-34-305-010-0000; 17-34-308-001-0000
17-34-308-014-0000; 17-34-308-015-0000
17-34-308-016-0000; 17-34-308-018-0000
17-34-308-019-0000; 17-34-308-020-0000
17-34-308-021-0000; 17-34-308-022-0000
17-34-308-023-0000

Property Address:

3632 South Indiana Avenue
Chicago, Illinois 60653

MF Advantage #11089

ASSIGNMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT

THIS ASSIGNMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") is made as of this 23rd day of December, 2013 by and between **RELATED DAVIS, LLC**, a Delaware limited liability company ("Assignor"), **RELATED MANAGEMENT COMPANY, L.P.**, a New York limited partnership ("Manager"), and the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY**, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended from time to time ("Lender").

RECITALS:

WHEREAS, Lender has agreed to make a loan to Assignor in the maximum principal amount of Two Million One Hundred Thousand and No/100 Dollars (\$2,100,000.00) (the "Loan") for the acquisition of a multifamily housing development known as Davis Apartments located at 3632 South Indiana Avenue, Chicago, Illinois 60653 (the "Development") located on the real estate described on **Exhibit A** attached hereto and made a part hereof. The Loan is evidenced by a Loan and Security Agreement of even date made by and between Assignor and Lender and is secured, in part, by that certain Mortgage, Security Agreement and Assignment of Rents and Leases dated as of the date hereof given by Assignor in favor of Lender (the "Mortgage") and certain other documents evidencing, securing and governing the Loan. This Mortgage, the Loan Agreement and all other documents executed by Assignor that evidence,

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govern, secure or are related to the Loan are sometimes collectively referred to as the "Loan Documents"; and,

WHEREAS, Assignor and Manager have entered into a certain Management Agreement (the "Management Agreement"), whereby Manager has agreed to furnish services for the rental, operation and management of the Development in exchange for certain payments to Manager for its services and the payment of expenses incurred by Manager in connection with such services; and

WHEREAS, pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/0.1 et seq., as amended from time to time, managers may have lien rights with respect to unpaid fees, expenses and other costs incurred in connection with the management of real property and improvements; and

WHEREAS, Lender requires, as a condition precedent to its making of the Loan, that (i) the lien and security interests of the Mortgage and the other Loan Documents and any indebtedness, liabilities or obligations arising under or secured by the Loan Documents (the "Senior Liens") be paramount, superior and prior to any and all existing liens or future rights to liens of Manager or any person or entity claiming by, through or under Manager which arise from or relate to the Management Agreement or any obligations, expenses and indebtedness arising thereunder or related to the Management Agreement (collectively, the "Junior Liens");

WHEREAS, Lender has also required, as additional security for the Loan, an assignment of the interest of Assignor in, to and under the Management Agreement;

WHEREAS, Assignor is willing to transfer, assign and convey its rights, privileges, powers and interest in, to and under the Management Agreement to Lender, subject to the terms and conditions herein contained; and,

WHEREAS, the Manager consents to the within assignment and terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants made in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and to induce Lender to make the Loan, it is agreed as follows:

1. Recitals. The foregoing recitals are incorporated in this Agreement.
2. Assignment and Subordination. Assignor hereby transfers, assigns and conveys all of its rights, powers, privileges and interests in, to and under the Management Agreement to Lender, its successors and assigns, fully intending that Lender, its successors and assigns, shall have the rights and powers and be entitled to the benefits thereunder to the same degree and extent as though the Management Agreement had been made between Lender and Manager. The Junior Liens are subordinated and made subject to the Senior Liens.
3. Exercise of Lender's Remedies. Although it is the intention of the parties that the assignment hereunder is a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Lender shall not exercise any of the rights

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and powers conferred upon it herein until and unless a "Default (as defined in the Loan Agreement) shall occur of Assignor's obligations and agreements under the Loan Agreement or the other Loan Documents, in each instance after any applicable grace periods shall have expired (a "Default"). Upon the occurrence of a Default, Lender shall have the right (but not the obligation) to (i) terminate the Management Agreement upon written notice to Manager and thereafter, the Management Agreement shall be of no further force or effect (provided that in such case the Manager shall be entitled to payment for services rendered up through the date of termination), or (ii) accept the continued performance of the Manager under the Management Agreement (in which case the Manager shall be entitled to payment for the entire month in which the election is made, not merely for the period after the date of acceptance). Acceptance of continuation shall be presumed in the absence of notice otherwise, but nothing shall impair the ability of the Lender to subsequently terminate the Management Agreement even after an initial acceptance. Nothing herein contained shall be deemed to affect or impair any rights which the Lender may have under the Loan Agreement, the Mortgage or the other Loan Documents.

4. Lender's Right to Cure. In the event of any default by Assignor under the Management Agreement or a Default under this Agreement, and during the continuation thereof, Lender shall have the right, upon notice to Assignor and Manager, and until such default is cured, to cure any default and take any action under the Management Agreement to preserve the same. Assignor hereby grants to Lender the right of access to the Premises for this purpose, if such action is necessary. Such action by Lender shall not be deemed an election by Lender as provided in Section 3 hereof. Assignor hereby authorizes Manager to accept the performance of Lender in such event, without question. Any advances made by Lender to cure a default hereunder shall bear interest at the Default Rate under the Note and shall be secured by the Mortgage and the other Loan Documents.

5. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Lender that (a) it has not executed any prior assignment of the Management Agreement, nor has it performed any acts or executed any other instrument which might prevent Lender from operating under any of the terms and conditions of this Agreement, or which would limit Lender in such operation, (b) it has not executed or granted any modification whatsoever of the Management Agreement, either orally or in writing, and (c) the Management Agreement is in full force and effect and constitutes a valid and legally enforceable obligation of the parties thereto and that there are no defaults now existing thereunder as of the date hereof.

6. Covenants of Assignor. Assignor agrees not to do, or suffer to be done, any of the following acts without the prior written consent of Lender first being had and obtained, to wit: (a) cancel, terminate or surrender the Management Agreement; (b) forgive any obligation thereunder; (c) materially modify the Management Agreement; (d) assign Assignor's interest in the Management Agreement or any portion thereof; or (e) fail to perform any obligation of Assignor in accordance with the provisions thereof, which failure would constitute a default under the Management Agreement and which failure shall continue beyond any applicable cure period provided under the Management Agreement. Any of said acts, if done or suffered to be done without Lender's prior written consent, shall constitute a Default hereunder.

7. Other Agreements. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Management Agreement by reason of this Agreement, until

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its election as provided in Section 3 hereof, and that this Agreement or Lender's performance hereunder shall not release Assignor of any liability under the Management Agreement.

8. Power of Attorney. From and after the occurrence of a Default or a default under the Management Agreement, and during the continuance thereof, Assignor hereby irrevocably appoints Lender as Assignor's attorney in fact to exercise any or all of Assignor's rights in, to, and under the Management Agreement, to give appropriate receipts, releases, and satisfactions on behalf of Assignor in connection with Manager's performance under the Management Agreement, and to do any or all other acts, in Assignor's name or in Lender's own name, that Assignor could do under the Management Agreement with the same force and effect as if this Assignment had not been made. This power of attorney is coupled with an interest and cannot be revoked, modified or amended without the written consent of Lender. Notwithstanding the foregoing, Lender agrees that it shall not exercise its rights under this Section 8 unless or until a Default shall occur.

9. Notice. Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) certified or registered United States mail, postage prepaid, return receipt requested.

To Manager:

Related Management Company LP
423 W. 55th street, 9th Floor
New York, NY 10019

If to Lender:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Managing Director of Multifamily Programs

with a copy to:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: General Counsel

If to Borrower:

Related Davis, LLC
60 Columbus Circle
New York, NY 10023
Attention: Matthew Finkle

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with a courtesy copy to:

Katten Muchin Rosenmann LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: David Cohen

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

10. Successors. This Agreement shall be binding upon Manager and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

11. Further instruments. Manager agrees to execute such further documents or instruments and take such further actions as Lender may reasonably request, at any time and from time to time, to carry out the intent of this Agreement.

12. Manager's Consent and Agreement. Manager acknowledges receipt of a copy of, and consents to this Agreement and agrees to each and all of its terms and conditions.

13. Governing Law. 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.

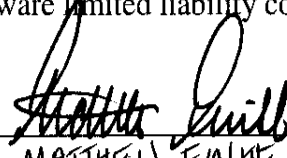
[Remainder of page intentionally blank – Signatures appear on following page]

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IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized representative.

ASSIGNOR:

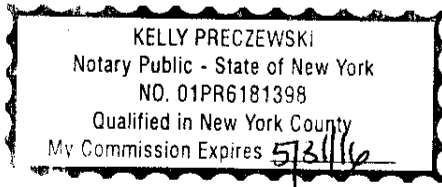
RELATED DAVIS, LLC,
a Delaware limited liability company

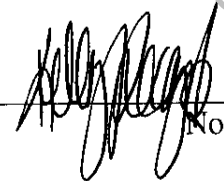
By: 
Name: MATTHEW FINKLE
Its: ~~HE~~ PRESIDENT

STATE OF NY)
) SS
COUNTY OF NY)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Matthew Finkle, personally known to me to be the President of **RELATED DAVIS, LLC** and personally 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 in his capacity as President of **RELATED DAVIS, LLC**, as his free and voluntary act and deed and as the free and voluntary act and deed of **RELATED DAVIS, LLC**, for the uses and purposes therein set forth.

Given under my hand and official seal this 17th day of December, 2013.




Notary Public

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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL I: LOTS 1 THRU 6 TOGETHER WITH ADJOINING 10 FOOT ALLEY, IN H. O. STONE'S SUBDIVISION OF THE SOUTH 5 ACRES OF THE NORTH 20 ACRES OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL II: LOTS 1 THRU 6 AND 7 THRU 11 TOGETHER WITH ALL OF THE 20 FOOT ALLEY LYING EAST OF AND ADJOINING LOTS 7 THRU 15, ALL IN HURD AND DANA'S SUBDIVISION OF LOTS 7 TO 14 IN H. O. STONE'S SUBDIVISION OF THE SOUTH 5 ACRES OF THE NORTH 20 ACRES AND LOTS 1 TO 14 IN BLOCK "A" IN FREEMAN'S SUBDIVISION OF THE 10 ACRES SOUTH AND ADJOINING THE NORTH 20 ACRES OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL III: LOTS 1, 2, 6, 7 AND 8 (EXCEPT THE SOUTH 20 FEET OF LOT 2) TOGETHER WITH THE 20 FOOT ALLEY LYING EAST OF AND ADJOINING SAID LOTS 1 AND 2 (EXCEPT THE SOUTH 20 FEET THEREOF) IN THE SUBDIVISION OF LOTS 1 TO 14, INCLUSIVE, IN BLOCK "B" IN FREEMAN'S ADDITION TO CHICAGO BEING THE 10 ACRES NEXT TO AND ADJOINING THE NORTH 10 ACRES OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL IV: LOTS 1 THRU 5 IN THE SUBDIVISION OF LOTS 9 AND 10 IN THE SUBDIVISION OF LOTS 1 TO 14 INCLUSIVE, IN BLOCK "E" IN FREEMAN'S ADDITION TO CHICAGO, AFORESAID.

PARCEL V: LOTS 1 AND 2 IN BLOCK 1 IN E. SMITH'S SUBDIVISION OF THE SOUTH 10 ACRES OF THE NORTH 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL VI: ALL THAT PART OF EAST 36TH PLACE LYING WEST OF AND ADJOINING THE WEST LINE OF SOUTH INDIANA AVENUE, EXTENDED, AND LYING EAST OF THE AND ADJOINING THE EAST LINE OF SOUTH MICHIGAN AVENUE, EXTENDED.

Commonly known as: 3632 South Indiana Avenue, Chicago, Illinois 60653

Pin No. 17-34-305-004-000	17-34-305-005-000	17-34-305-006-000	17-34-305-007-000
17-34-305-008-000	17-34-305-009-000	17-34-305-010-000	17-34-308-001-000
17-34-308-014-000	17-34-308-015-000	17-34-308-016-000	17-34-308-017-000
17-34-308-018-000	17-34-308-019-000	17-34-308-020-000	17-34-308-021-000
17-34-308-022-000	17-34-308-023-000		