8 7 4 1 9 1 1 4

87419114

SUBORDINATION OF MANAGEMENT AGREEMENT

This Subordination of Management Agreement ("Agreement") made and delivered in Chicago, Illinois as of the 29th day of July, 1987, by and between SHERATON OPERATING CORPORATION, a Delaware corporation ("Manager"), and AETNA LIFE INSURANCE COMPANY, a Connecticut corporation ("Lender").

R E C I T A L S :

A. Chicago Huron Partners, an Illinois limited partnership ("Partnership"), is the owner of one hundred percent (100%) of the rights, powers, privileges and beneficial interest under a certain Trust Agreement dated November 30, 1984 and known as Trust No. 4967 ("Trust") with Lake Shore National Bank, as Trustee thereunder (the Partnership and the Trust are sometimes collectively referred to herein as the "Borrower").

B. The Trust holds a leasehold interest in and to certain real estate and owns certain buildings and improvements located thereon (collectively, the "Property"), consisting of office space, a parking facility and the Sheraton Plaza Hotel. The Property is more particularly described on Exhibit A attached hereto and made a part hereof.

C. The Trust and Manager have entered into a certain Management Agreement dated December 7, 1984 ("Management Agreement"), whereby Manager agreed to furnish certain services in connection with the operation, management and supervision of the Hotel in exchange for certain payments to Manager for its services and the payment of all expenses incurred by the Manager in connection with the furnishing of its services.

D. Pursuant to Illinois Revised Statutes, Chapter 82, par. 1, as amended on September 20, 1985, property managers have lien rights under the Mechanics' Lien Act for expenses incurred for the management of any structure.

E. Lender has agreed to make a loan ("Loan") in the original principal amount of Twenty-One Million Five Hundred Thousand and No/100 Dollars ($21,500,000.00) to the Trust. The Loan is evidenced by a certain Mortgage Note ("Note") of even date herewith made by the Trust, payable to the order of Lender. The Note is secured by, among other things, a Leasehold Mortgage ("Mortgage") of even date herewith made by the Trust granting a lien on the Property and recorded in the Office of the Cook County, Illinois Recorder of Deeds on July 30, 1987 as Document No. 87419110. As additional security for repayment of the Note, the Trust and/or the Partnership are executing and delivering to Lender an Assignment of Rents and Leases, a Security Agreement and Assignment of Beneficial Interest and other loan documents (collectively, the "Loan Instruments").

F. Lender requires as a condition precedent to its making the Loan, that the Manager subordinate its Incentive Fee(s) (as defined in Article XIII of the Management Agreement) to debt service due under the Note and that the lien and security interests of the Mortgage and other Loan Instruments be paramount and prior to any and all accrued and unpaid Incentive

87419114

Please return to:
Attn: Sandra Rybak
Ticor Title Insurance
69 W. Washington
Chicago, IL 60602 Re: 230418

Box 15

Fees due and owing to the Manager from time to time, throughout the term of the Loan and to 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 any fees, expenses and costs due Manager under the Management Agreement (collectively, the "Junior Liens").

NOW, THEREFORE, 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 sufficiency of which are hereby acknowledged, and to induce Lender to make disbursements of proceeds of the Loan, it is hereby agreed as follows:

1. The Incentive Fee and the Junior Liens are hereby subordinated to each and every one of the Note, the Mortgage, and the Loan Instruments 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 Borrower to Lender with respect to the Note, the Mortgage and the Loan Instruments (collectively, the "Senior Liabilities").

2. The payment of all Incentive Fees shall be subordinated to the payment in full of all Senior Liabilities. No payment in respect of any Incentive Fees shall be made at any time on or after the date Manager has been notified by Lender of any default in the payment or performance of any of the Senior Liabilities. In the event Manager receives payment of any Incentive Fees after such notice of default, the Incentive Fees, shall be received in trust for Lender and immediately turned over by Manager to Lender.

3. In the event of any proceedings for the foreclosure of the Mortgage, or the assignment or transfer of the Property in lieu of foreclosure of the Mortgage, Manager hereby covenants and agrees to release Lender or its designee or nominee or any third party which becomes the leasehold owner of the Property pursuant to a foreclosure sale or assignment in lieu of foreclosure from the obligation to pay any and all accrued or otherwise due and payable Incentive Fees earned prior to the date of any such foreclosure or assignment in lieu of foreclosure. In the event Lender, as owner in possession, elects to finance the Property, Manager covenants and agrees to subordinate the Incentive Fee in an amount equal to the then current debt service due in connection with any such financing; provided, however, that such subordination shall not exceed the amount of interest payments due in connection with the Loan. In the event that Lender elects to sell the Property to a third party, Manager covenants and agrees to subordinate its Incentive Fee to a priority return on investment; provided, however, that such subordination shall not exceed the amount of interest payments due in connection with the Loan.

4. Notwithstanding any provision of the Management Agreement to the contrary, the making of the Mortgage, any sale of the Property pursuant to any proceedings for the foreclosure of the Mortgage, or the assignment or transfer of the Property in lieu of the foreclosure of the Mortgage shall be deemed to be a permitted sale, transfer, or assignment of the Property.

5. Manager, upon providing Borrower any notice of (i) default, (ii) termination or proposed termination, (iii) a matter on which Manager may claim or predicate a default, or

(iv) any other matter which could materially affect the rights or obligations of Manager or Borrower, shall at the same time provide a copy of such notice to the Lender in the manner and at the address specified in paragraph 6 below or such other address as Manager may have received written notice of from the Lender. In the case of a default notice, such notice shall set forth with particularity the nature and extent of all defaults then existing. No notice of the matters described in this paragraph given by Manager to the Borrower shall be legally effective unless a copy of such notice shall have been given by Manager as required in the preceding sentence.

6. 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:

To the Manager:

Sheraton Operating Corporation
60 State Street
Boston, Massachusetts 02109

with copies to:

Sheraton Plaza Hotel
160 East Huron Street
Chicago, Illinois 60611
Attention: General Manager

and

Coffield, Ungaretti, Harris & Slavin
Three First National Plaza
Suite 3500
Chicago, Illinois 60602
Attention: James B. Smith, Esq.

To Lender:

Aetna Life Insurance Company
CityPlace
Hartford, Connecticut 06156
Attention: Aetna Realty Investors, Inc.
(Real Estate Finance)

with a copy to:

Draper and Kramer, Incorporated
33 West Monroe Street
Chicago, Illinois 60603
Attention: Loan Servicing Department

7. This Agreement shall be binding on the parties hereto, and upon their respective successors and assigns.

8. 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.

9. 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 provisions 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

SHERATON OPERATING CORPORATION,
a Delaware corporation

ATTEST:

Assistant Secretary

By: _____
Its: Vice President

AETNA LIFE INSURANCE COMPANY, a Connecticut corporation

ATTEST:

_____
Secretary

By: _____
Its: _____

This Instrument Prepared By and After Recording Return to:

Dana M. Waller, Esq.
Sonnenschein Carlin Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606

Property Address:
160 East Huron Street
Chicago, Illinois 60611

Permanent Real Estate Tax Index Nos.: 17-10-106-007

STATE OF Massachusetts)
COUNTY OF Suffolk)

I, Judith E. Donovan, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that John R. Young and Richard Brunner, the Vice President and Asst Secretary of Sheraton Operating Corporation, a Delaware corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Asst Secretary, 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 corporation, for the uses and purposes therein set forth and said Asst Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of July, 1987.

Judith E. Donovan
Notary Public

My Commission Expires:

Aug 10, 1990

STATE OF _____)
COUNTY OF _____)

I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, the _____ and _____ Secretary of Aetna Life Insurance Company, a Connecticut corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____ Secretary, 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 corporation, for the uses and purposes therein set forth and said _____ Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____, 1987.

_____
Notary Public

My Commission Expires:

_____

87419114

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 provisions 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

SHERATON OPERATING CORPORATION,
a Delaware corporation

ATTEST:

By: _____
Its: _____

_____
Secretary

AETNA LIFE INSURANCE COMPANY, a
Connecticut corporation

ATTEST:

By: John M. Stevens OK
Its: Asst Vice President

Asst. Secretary

This Instrument Prepared By
~~and After Recording Return~~
~~to:~~

Dana M. Waller, Esq.
Sonnenschein Carlin Nath
& Rosenthal
8000 Sears Tower
Chicago, Illinois 60606

Property Address:
160 East Huron Street
Chicago, Illinois 60611

Permanent Real Estate Tax
Index Nos.: 17-10-106-007
C.A.D.

STATE OF _____)
)
COUNTY OF _____)

I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, the _____ and _____ Secretary of Sheraton Operating Corporation, a Delaware corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____ Secretary, 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 corporation, for the uses and purposes therein set forth and said _____ Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____, 1987.

_____
Notary Public

My Commission Expires:

_____

STATE OF Conn.)
)
COUNTY OF Hartford)

I, Marion R Pampuro, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that John M Stevens and Ellen Munke, the Asst Vice Pres and Asst Secretary of Aetna Life Insurance Company, a Connecticut corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst Vice Pres and Asst. Secretary, 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 corporation, for the uses and purposes therein set forth and said Asst Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of July, 1987.

Marion R Pampuro
Notary Public

My Commission Expires:

NOTARY PUBLIC
MARION R. PAMPURO
My Commission Expires March 31,1992

87419114

EXHIBIT A

PROPERTY DESCRIPTION

PART A

ESTATE 1:

LEASEHOLD ESTATE CREATED IN AND BY THAT CERTAIN INDENTURE OF LEASE DATED NOVEMBER 5, 1968, A MEMORANDUM OF WHICH WAS RECORDED APRIL 8, 1969 AS DOCUMENT NO. 20,804,412, AS AMENDED NOVEMBER 5, 1968, MAY 25, 1970, JUNE 18, 1971 AND FEBRUARY 15, 1977 MADE BY SAKS AND COMPANY, AS GROUND LESSOR, AND LAKE SHORE NATIONAL BANK TRUST NO. 2158, AS GROUND LESSEE, DEMISING THE LAND LEGALLY DESCRIBED IN PART B BELOW.

ESTATE 2:

THE OWNERSHIP OF THE BUILDING AND IMPROVEMENTS LOCATED ON THE LAND LEGALLY DESCRIBED IN PART B BELOW.

ESTATE 3:

SUBLEASEHOLD ESTATE CREATED IN AND BY THAT CERTAIN INDENTURE OF LEASE DATED JULY 1, 1971 MADE BY SAKS AND COMPANY, AS SUBLESSOR AND CLARIDGES PARKING CORPORATION, AS SUBLESSEE, AS DISCLOSED BY AGREEMENT REGARDING COMMENCEMENT OF TERM OF GARAGE SUBLEASE DATED MAY 2, 1973 AND RECORDED JULY 30, 1973 AS DOCUMENT NO. 22,419,030, AS AMENDED DECEMBER 21, 1972, MAY 1, 1973 AND FEBRUARY 15, 1977 AND EVIDENCED BY A MEMORANDUM OF GARAGE SUBLEASE DATED AS OF JULY 15, 1980, AND RECORDED SEPTEMBER 22, 1980 AS DOCUMENT NO. 25,592,895, DEMISING THE "GARAGE FACILITIES" WITHIN THE BUILDING LOCATED ON THE LAND LEGALLY DESCRIBED IN PART B BELOW.

PART B

THE SOUTHEAST 1/4 (EXCEPT THE WEST 1 1/2 FEET THEREOF) OF BLOCK 45 OF KINZIE'S ADDITION TO CHICAGO IN THE NORTH FRACTIONAL 1/2 OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 17-10-106-007 C.A.O. VOLUME: 501

ADDRESS OF PROPERTY: 140-160 EAST HURON STREET
CHICAGO, ILLINOIS

87419114

87419114

18