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SUBORDINATION OF MANAGEMENT AGREEMENT

DEPT-01 RECORDING \$35.00
T#0012 TRAN 2986 11/06/96 12:41:00
#3580 DT *-96-850258
COOK COUNTY RECORDER

THIS SUBORDINATION OF MANAGEMENT AGREEMENT

is made and delivered as of the 1st day of November, 1996, by ST. ANDREWS PROPERTIES, INC., an Illinois corporation and GOLUB & COMPANY OF ILLINOIS, INC., an Illinois corporation (hereinafter referred to collectively as the "Manager"), to and for the benefit of LASALLE NATIONAL BANK, a national banking association ("Lender").

RECITALS:

A. LASALLE/ST. ANDREWS/GOLUB, L.L.C., an Illinois limited liability company ("Borrower"), owns legal and equitable title to the land legally described on Exhibit A attached hereto and the improvements thereon (collectively the "Property").

B. Borrower and the Manager have entered into a certain Management Agreement dated November 1, 1996 (the "Management Agreement") whereby the Manager agreed to furnish

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

Michael S. Kurtzon
Miller, Shakman, Hamilton,
Kurtzon & Schlifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604

Permanent Real Estate
Tax Index No.:

17-16-204-030-0000

Common Address:

19 South LaSalle Street
Chicago, Illinois

96850258

3500
P

76-28-623-DI. (CJV)

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services for the development, operation and management of the Property in exchange for certain payments to the Manager for its services and the payment of certain expenses incurred by the Manager in connection with the furnishing of its services.

C. Pursuant to 770 ILCS 60/1 et seq. (formerly Illinois Revised Statutes, Chapter 82, par. 1, as amended), property managers have lien rights under the Mechanics' Lien Act for expenses incurred for the management of any structure.

D. Lender has agreed to make a loan (the "Loan") to Borrower in an amount equal to \$3,000,000.00. The Loan is evidenced by a certain Note (the "Note") of even date herewith made by Borrower to the order of Lender in the principal amount of \$3,000,000.00. The Note is secured by, among other things, a Mortgage (the "Mortgage") of even date herewith granting a lien on the Property and to be recorded in the Office of the Recorder of Deeds of Cook County, Illinois. Borrower has also executed certain other instruments and agreements as additional security for repayment of the Loan (collectively, the "Loan Documents").

E. Lender requires, as a condition precedent to its making the Loan, that the indebtedness evidenced by the Note and the lien and security interests of the Mortgage and the other Loan Documents be paramount and prior to any and all obligations, expenses and indebtedness owing to the Manager which arise from the Management Agreement (collectively, the "Junior Liabilities") and any and all existing liens or future rights to liens of the Manager or anyone claiming by, through or under the Manager which arise from the Junior Liabilities (collectively, the "Junior Liens").

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

1. The Junior Liabilities and the Junior Liens are hereby subordinated to each and every one of the Note, the Mortgage, and the other Loan Documents and all indebtedness, liabilities and obligations of any kind whatsoever (whether now existing or hereafter arising and regardless of the aggregate amount thereof) owing by Borrower to Lender with respect to the Property (collectively, the "Senior Liabilities"). No default exists as of the date hereof with respect to the Junior Liabilities.

2. The payment of all Junior Liabilities shall be subordinated to the payment in full of all Senior Liabilities. No payment in respect of any Junior Liabilities shall be made at any time on or after the date the Manager has been notified by Lender of any Event of Default under any of the Senior

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Liabilities (a "Senior Default"). In the event the Manager receives any such payment, the same shall be received in trust for Lender and immediately turned over by the Manager to Lender.

3. Notwithstanding anything to the contrary contained in the Management Agreement, Lender shall have the right to terminate the Management Agreement without premium or penalty at any time on or after the date the Manager has been notified of a Senior Default.

4. All notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person or (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 Lender: LaSalle National Bank
135 South LaSalle Street
Suite 1225
Chicago, Illinois 60674-9135
Attn: Matthew Napoli
First Vice President

With copy to: Michael S. Kurtzon
Miller, Shakman, Hamilton,
Kurtzon & Schlifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604

To Manager: St. Andrews Properties, Inc.
135 South LaSalle Street
Chicago, Illinois 60603
Attn: Joel Hirsch

With copy to: Herbert J. Linn
Pedersen & Houpt
161 North Clark Street
Suite 3100
Chicago, Illinois 60601

and to: Golub & Company
625 North Michigan Avenue
Chicago, Illinois 60611
Attn: Eugene Golub

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With copy to:

David Glickstein
Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601

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 Section 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.

5. This Agreement shall be binding upon the Manager and its successors and assigns.

6. 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.

7. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

8. In the event that any provision of this Agreement is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, the Manager and Lender shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Agreement and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

St. Andrews Properties, Inc.,
an Illinois corporation

By: *John J. ...*
Its: President

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and

Golub & Company of Illinois,
Inc., an Illinois corporation

By: 
Its: President Chairman

Agreed to this 1st day of
November, 1996.

LASALLE/ST. ANDREWS/GOLUB, L.L.C.,
an Illinois limited liability company

By: St. Andrews 19 S. LaSalle Limited
Partnership, an Illinois limited
partnership, a Member

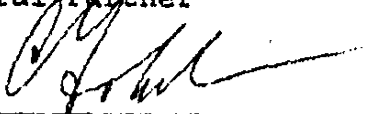
By: St. Andrews Properties, Inc.,
an Illinois corporation, its
General Partner

By: 
Its: President

and

By: Golub/19 S. LaSalle Limited
Partnership, an Illinois limited
partnership, a Member

By: Golub & Company of Illinois,
Inc., an Illinois corporation,
its General Partner

By: 
Its: President Chairman

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STATE OF ILLINOIS))
) SS.
COUNTY OF COOK))

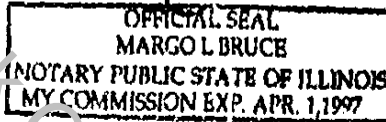
I, MARGO L. BRUCE, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joel Hirsch, the President of St. Andrews Properties, Inc., an Illinois corporation, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation/partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 1st day of November, 1996.

Margo L. Bruce
Notary Public

My Commission Expires:

4/1/97



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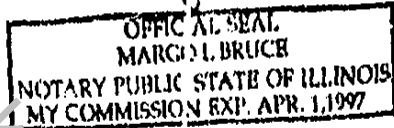
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARGO L. BRUCE, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Eugene Mub, the President of Golub & Company of Illinois, Inc., an Illinois corporation, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation/partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 15th day of November, 1996.

Margo L. Bruce
Notary Public

My Commission Expires:
4/1/97



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

THOSE PARTS OF ORIGINAL LOTS 2 AND 3 IN BLOCK 118 IN SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE WEST 1/2 OF SAID ORIGINAL LOT 3; THENCE NORTH TO A POINT 100 FEET SOUTH OF THE NORTH LINE OF SAID LOT 3; THENCE WEST CROSSING THE WEST 1/2 OF SAID LOT 3, AND ALONG THE SOUTH LINES OF SUB-LOTS 1 TO 3 IN THE CHICAGO HYDRAULIC COMPANY'S SUBDIVISION OF ORIGINAL LOTS 1 AND 2 IN SAID BLOCK 118, TO THE SOUTHWEST CORNER OF SAID SUB-LOT 3; THENCE SOUTH TO THE SOUTH LINE OF SAID ORIGINAL LOT 2; THENCE EAST TO THE POINT OF BEGINNING (EXCEPTING THAT PART THEREOF LYING NORTH OF THE SOUTH LINES OF SUB-LOTS 1 TO 3 AFORESAID, EXTENDED EAST ACROSS THE WEST 1/2 OF THE ORIGINAL LOT 3 AFORESAID; ALSO EXCEPTING THAT PART THEREOF FALLING IN ARCADE PLACE AS NOW LOCATED) IN COOK COUNTY, ILLINOIS;

PARCEL 2:

LOT 2 AND THE SOUTH 2 FEET IN WIDTH OF LOT 1 IN MAJOR'S SUBDIVISION OF SUB-LOTS 4 TO 6, SUB-LOT 8 AND THE WEST 15 FEET OF SUB-LOT 9 (EXCEPT THOSE PARTS OF SAID SUB-LOTS 6 AND 8 TAKEN FOR THE OPENING OF LABALLE STREET) IN THE CHICAGO HYDRAULIC COMPANY'S SUBDIVISION OF ORIGINAL LOTS 1 AND 2 IN BLOCK 118, WITH THE PROPORTIONATE SURPLUS OF THE BLOCK, IN THE SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID MAJOR'S SUBDIVISION RECORDED MAP 23, 1867, IN BOOK 184 OF MAPS, PAGE 194, IN COOK COUNTY, ILLINOIS;

PARCEL 3:

THAT PART OF ORIGINAL LOT 1 IN BLOCK 118 LYING WEST OF THE WEST LINE OF LOT 2 AND THE SOUTH 2 FEET IN WIDTH OF LOT 1 IN MAJOR'S SUBDIVISION OF SUB-LOTS 4, 5, 6 AND 8 AND THE WEST 15 FEET OF SUB-LOT 9 (EXCEPT THAT PART OF SUB-LOTS 6 AND 8 TAKEN BY THE OPENING OF LABALLE STREET) IN THE CHICAGO HYDRAULIC COMPANY'S SUBDIVISION OF ORIGINAL LOTS 1 AND 2 IN SAID BLOCK 118 AND LYING BETWEEN THE WESTERLY EXTENSIONS OF THE NORTH AND SOUTH LINES OF AFORESAID LOT 2 AND THE SOUTH 2 FEET IN WIDTH OF LOT 1 IN MAJOR'S SUBDIVISION AFORESAID, ALL IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 4:

ALL OF THAT PART OF ARCADE PLACE LYING SOUTH OF THE NORTH LINE OF ARCADE PLACE, AS SAID NORTH LINE WAS ESTABLISHED BY ORDINANCE DATED MARCH 16, 1868, LYING WEST OF THE EAST LINE AND THE EAST LINE EXTENDED SOUTH OF THE WEST 1/2 OF SAID ORIGINAL LOT 3 IN BLOCK 118, SCHOOL SECTION ADDITION AFORESAID AND LYING EAST OF EAST LINE OF LABALLE STREET AS NOW LOCATED (EXCEPTING THEREFROM THE SOUTH 1/2 THEREOF WHICH IS NORTH OF AND ADJOINING LOTS 30, 31 AND 32 IN ASSESSOR'S DIVISION OF BLOCK 118 IN SCHOOL SECTION ADDITION AFORESAID) IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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