

Prepared by:

Valerie A. Haugh
Gardner Carton & Douglas
321 N. Clark Street, Suite 3400
Chicago, IL 60610



After recording return to:

Valerie A. Haugh
Gardner Carton & Douglas
321 N. Clark Street, Suite 3400
Chicago, IL 60610

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INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (this "Agreement"), dated ^{As of} March 14, 2001, is entered into by RIVER CITY INVESTORS, LLC, a Michigan limited liability company ("Junior Lender") and CIG INTERNATIONAL, LLC, a Delaware limited liability company ("Senior Lender").

WHEREAS, River City Residences, LLC, an Illinois limited liability company ("RCR"); River City Holdings, LLC, an Illinois limited liability company ("RCH"); River City Marina, LLC, an Illinois limited liability company ("RCM"); 800 South Wells Phase I, LLC, an Illinois limited liability company ("Phase I"); and 800 South Wells Phase II, LLC, an Illinois limited liability company ("Phase II" and together with RCR, RCH, RCM and Phase I are collectively referred to herein as the "Borrower") and Senior Lender have entered into that certain Loan Agreement ("Senior Loan Agreement") dated the date hereof and certain other Senior Loan Documents (as defined below);

WHEREAS, Borrower and Junior Lender have entered into certain Junior Loan Documents (as defined below); and

WHEREAS, Senior Lender and Junior Lender desire to set forth certain rights of the parties hereto as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement: (i) terms defined in the foregoing recitals have the meanings ascribed to them in the recitals; (ii) capitalized terms used in this Agreement without definition have the meanings ascribed to them in the Senior Loan Agreement; and (iii) the following terms shall have the following meanings:

"Affiliate" means, as to any Person, any Person which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

BOX 333-CTI

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The term "control" means the possession, directly or indirectly, of the power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, family relationship or otherwise.

"Agreement" means this Intercreditor Agreement.

"Equity Interests in Borrower" means the stock, partnership interests, or membership interests, as applicable, in each of the Borrowers.

"Event of Default" means (i) in the case of the Senior Loan Documents, an Event of Default under the Senior Loan Documents (as defined thereunder), or (ii) in the case of the Junior Loan Documents, a default or event of default (after expiration of any applicable notice and cure periods) under the Junior Loan Documents.

"Junior Debt" means all indebtedness now or at any time hereafter owing by Borrower to Junior Lender arising under the Junior Loan Documents and/or the Junior Equity Loan Documents and all indebtedness now or at any time hereafter owing by Borrower or any members of Borrower to Junior Lender arising under any of the operating agreements of Borrower.

"Junior Loan Documents" mean, collectively, all agreements, instruments and documents (together with all amendments thereto and modifications and replacements thereof) now or hereafter executed by Borrower, any member of Borrower or any guarantor or indemnitor, which evidence, secure or otherwise support Borrower's obligations under or with respect to the Junior Debt, including, without limitation that certain Secured Promissory Note dated _____, 2001, in the original principal amount of \$2,000,000.00.

"Junior Equity Loan Documents" mean, collectively, all agreements, instruments and documents (together with all amendments thereto and modifications and replacements thereof) now or hereafter executed by Borrower, any member of Borrower or any guarantor or indemnity, which evidence, secure or otherwise support Borrower's or any of its members under or with respect to the Equity Option Loan and/or under any of the documents evidencing and/or securing the Equity Option Loan (as such term is defined in the Senior Loan Agreement) and/or the terms of the operating agreement of RCH, including without limitation that certain Secured Promissory Note - Option dated _____, 2001 in the original principal amount of \$2,887,500.00; that certain Option to Redeem Membership Interests between RCH and Junior Lender; and Escrow Agreement by and between Horwood Marcus & Berk, as escrowee and RCR, RCH RCM, Nicholas S. Gouletas and Junior Lender.

"Lien" shall mean any lien, security interest, pledge, hypothecation, charge, encumbrance, right, option or other claim (in the nature of an "in rem" claim) in or with respect to any property, real, personal or mixed.

"Person" shall mean an individual or a corporation, association, joint venture, general partnership, limited partnership, limited liability company, limited liability partnership or other private entity or a governmental agency.

“Pledge Agreements” shall mean those certain pledge agreements from all of the members of each of the Borrowers which grant to Senior Lender a security interest in all of such members ownership interests in all of the Borrowers.

“Property” means that certain real property within the development known as River City, 800 South Wells, Chicago, Illinois in the County of Cook, Illinois, more particularly described in Exhibit A hereto.

“Senior Debt” means all indebtedness now or at any time hereafter owing by Borrower to Senior Lender arising under the Senior Loan Agreement and the other Senior Loan Documents, and any and all amendments, renewals, extensions, refinancings, or refundings thereof, including but not limited to all principal, interest, fees, and other sums due with respect thereto (including whether incurred or accruing before or after the commencement of any proceeding under the United States Bankruptcy Code).

“Senior Lender’s Equity Interest” means, at any time, the Equity Interest in Borrower then held by Senior Lender or any Affiliate of Junior Lender.

“Senior Loan Documents” mean, collectively, all agreements, instruments and documents (together with all amendments thereto and modifications and replacements thereof) now or hereafter executed by Borrower or any guarantor or indemnitor, which evidence, secure or otherwise support Borrower’s obligations under or with respect to the Senior Debt, including, without limitation the Senior Loan Agreement and the Note, Mortgage, Pledge Agreements and each of the other Loan Documents, as defined in the Senior Loan Agreement.

2. Consent of Senior Lender. Subject to the terms and agreements made herein, the Senior Lender hereby consents to the Junior Debt and to the terms and provisions of the Junior Loan Documents subject to the terms and conditions hereof.

3. Subordination. Until the Senior Debt is paid in full and the mortgage securing the Senior Debt is released, the Junior Loan Documents, the Junior Debt and the Lien held or to be held by Junior Lender are and shall continue to be expressly subject and subordinate to the Senior Debt and the Senior Loan Documents.

4. Defaults Under Junior Loan Documents. Notwithstanding any provision of the Junior Loan Documents to the contrary, no Default or Event of Default under the Senior Loan Documents, nor, subject to the terms hereof, an exercise by Senior Lender of any remedy available to it based thereon, shall constitute an Event of Default under the Junior Loan Documents; provided that this provision shall not prevent the independent occurrence of an Event of Default under the Junior Loan Documents based on the same set of occurrences or circumstances constituting such Default or Event of Default under the Senior Loan Documents

5. Defaults Under Senior Loan Documents. Senior Lender shall endeavor to deliver to Junior Lender a copy of any notice of default delivered to Borrower pursuant to the Senior Loan Documents concurrently with the delivery thereof to Borrower. Junior Lender shall have the right (but not the obligation) to cure any default by Borrower under the Senior Loan

Documents, and Senior Lender shall (a) accept performance by Junior Lender as if such performance were tendered by Borrower, and (b) not accelerate the Senior Debt by reason thereof, so long as Junior Lender cures (1) any such monetary default within ten (10) days after receipt of written notice thereof, or (2) any such nonmonetary default within thirty (30) days after receipt of written notice thereof. The Senior Lender's covenant to endeavor to provide the Junior Lender with a copy of any notice of default delivered to Borrower pursuant to the Senior Loan Documents shall not in any way affect the obligations of Borrower nor give rise to any defense by Borrower under the Senior Loan Documents to any such default.

6. Option to Purchase Senior Debt. Senior Lender hereby grants Junior Lender an option to purchase the Senior Debt, at par (including outstanding principal and accrued and unpaid interest, fees and any other monetary obligations of Borrower under the Senior Loan Documents, and specifically including any and all prepayment penalties or premiums), at any time after the occurrence of an Event of Default under the Senior Loan Documents and prior to the earlier of (i) the foreclosure of the Lien of Senior Lender's deed of trust or mortgage or acceptance of a deed in lieu thereof; or (ii) the exercise of the Senior Lender's remedies under any of the Pledge Agreements.

7. Exercise of Remedies by Junior Lender. Without the prior written approval of Senior Lender, which approval may be withheld or given in Senior Lender's sole discretion and may contain additional conditions, Junior Lender shall not (i) exercise any of its remedies under any of the Junior Loan Documents and/or the Junior Equity Loan Documents, (ii) become a Managing Member and/or Special Managing Member of any of the Borrower pursuant to the terms of the operating agreement of RCH, the Junior Loan Documents, the Junior Equity Loan Documents or otherwise, (iii) accept any payments of principal, interest or other amounts due on any of the Junior Debt and/or due Junior Lender under the operating agreement of RCH except the acceptance of the Secured Promissory Note – Option under the Equity Option Loan if and when the option to redeem Junior Lender's membership interests in RCH is exercised. Failure of Junior Lender to obtain such approval shall be an Event of Default under the Senior Loan Documents. Any and all funds received by Junior Lender in violation hereof shall be deemed to be held by Junior Lender in trust for Senior Lender and immediately remitted to Senior Lender by Junior Lender.

8. Exercise of Remedies by Senior Lender. Junior Lender acknowledges and agrees that upon the Senior Lender's exercise of its remedies under the Pledge Agreements (i) Junior Lender shall no longer have any membership interests in and to any of the Borrower; (ii) the Equity Option Loan shall be extinguished in full without further action or notice; and (iii) Junior Lender shall release of record any and all security documents and/or mortgages evidencing and/or securing the Equity Option Loan.

9. Obligation to Provide Partial Releases. Junior Lender agrees and acknowledges its obligation to execute and deliver partial releases upon the Disposition of Units. Senior Lender agrees and acknowledges its obligation under Section 40 of the Mortgage given by Borrower to Senior Lender to provide partial releases upon the Disposition of Units upon the satisfaction of the conditions and pursuant to the terms of Section 40 of such Mortgage.

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10. Transferability of Junior Loan Documents. Junior Lender may not transfer its interest in the Junior Loan Documents without the consent of Senior Lender, which consent may be withheld or given in Senior Lender's sole discretion and may contain additional conditions.

11. Modification of Senior Loan Documents. Senior Lender represents and warrants to Junior Lender that it has provided Junior Lender with true, correct and complete copies of all Senior Loan Documents. Senior Lender has the right to amend and/or any or all of its Senior Loan Documents without any further action or notification by or to Junior Lender, provided that, in the event such amendment or modification increases the current or deferred interest rate under the Senior Loan, extends the maturity date, is given in connection with a further disbursement of principal in excess of the original principal amount (except for disbursements made by Senior Lender to protect its security, pay interest that is due and/or otherwise authorized under the Senior Loan Documents) shall not be binding upon Junior Lender without its prior written consent.

12. Equity Interests. Junior Lender hereby acknowledges and agrees that, notwithstanding any provision contained in any of the Junior Loan Documents, the Equity Interests in Borrower do not constitute part of the collateral for the Junior Debt, and Junior Lender shall not hereafter claim or obtain a security interest in the Equity Interests in Borrower.

13. Amendments and Waivers of this Agreement. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and is signed by the parties hereto. Any waiver or consent hereunder shall be valid only if signed by the party against whom enforcement of such waiver or consent is sought.

14. Parties Intended to be Benefited. All of the understandings, covenants, and agreements contained herein are solely for the benefit of the parties hereto and their respective successors and permitted assigns and no other Person (including Borrower) is intended to be benefited, in any way, by this Agreement.

15. No Joint Venture. This Agreement is not intended to create any joint venture, partnership or similar arrangement among Senior Lender and Junior Lender.

16. Effect on Other Rights. Nothing contained in this Agreement is intended to affect or limit, in any way, the rights that any of the parties hereto may have against any Person not party to this Agreement or, except as expressly provided herein, the rights that any of the parties hereto may have under the Junior Loan Documents or the Senior Loan Documents.

17. Notice. Any notice, request, demand, consent, approval or other communication provided or permitted hereunder, or that any party shall otherwise desire to give to another party in connection herewith, shall be in writing and be given by personal delivery, sent by nationally recognized private courier service or United States first class mail, postage prepaid, delivered or addressed to the party for whom it is intended at its address set forth below.

If to Senior Lender: CIG International, LLC
203 North LaSalle Street
Suite 2100
Chicago, Illinois 60601
Attn: Steven Schaffer
Facsimile: (312) 558-1583

With a copy to: CIG International, LLC
1350 Connecticut Ave., N.W.
Suite 1250
Washington, DC 20036
Attn: Bruce Levin
Facsimile: (202) 833-1139

With a copy to: Gardner, Carton & Douglas
321 North Clark Street
Chicago, Illinois 60610
Attn: Valerie A. Haugh
Facsimile: (312) 644-3381

If to Junior Lender: River City Investors LLC
2000 Town Center, Suite 1500
Southfield, MI 48075
Attn: Bruce H. Seyburn
Facsimile: (313) 353-3727

18. Successors and Assigns; Limitations on Assignment. This Agreement shall be binding upon, and inure to the benefit of, the participants, transferees, successors and assigns of the parties hereto.

19. Governing Law. THIS AGREEMENT AND ALL RIGHTS AND OBLIGATIONS OF JUNIOR LENDER AND SENIOR LENDER HEREUNDER SHALL BE GOVERNED BY, CONSTRUED UNDER, AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

20. Attorneys' Fees. In the event it becomes necessary for Senior Lender or Junior Lender to commence any proceedings or actions to enforce the provisions of this Agreement, the court or body before which the same shall be brought shall award to the prevailing party therein all of its costs and expenses in prosecuting such proceedings or actions, including reasonable attorneys' fees, the fees of expert witnesses and consultants, the usual and customary and lawfully recoverable court costs, and all other reasonable expenses in connection therewith.


21. Counterparts. This Agreement may be signed in any number of counterparts, each of which will constitute an original, and all of which, taken together, shall constitute but one and the same agreement with the same effect as if the signatures thereon were upon the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

SENIOR LENDER:

CIG INTERNATIONAL, LLC, a Delaware limited liability company

By: 
Title: Senior Vice President

JUNIOR LENDER:

RIVER CITY INVESTORS, LLC, a Michigan limited liability company

By: _____
Name: _____
Title: _____

Property of Cook County Clerk's Office

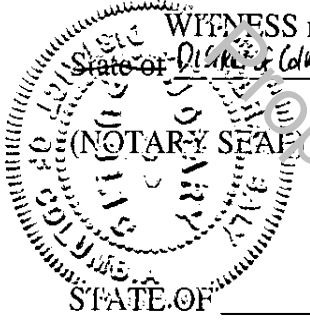
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DISTRICT OF COLUMBIA

STATE OF _____)
)SS.
COUNTY OF _____)

I HEREBY CERTIFY that on this 7th day of March, 2001, before me personally appeared Bruce Levin, the Senior Vice President of CIG International, LLC, a Delaware limited liability company, to me known to be the same persons who signed the foregoing instrument as his act and deed as such _____ for the use and purpose therein mentioned, and that the said instrument is the act and deed of said company.

WITNESS my signature and official seal at CIG Intl, LLC, in the County of _____ and State of District of Columbia, the day and year last aforesaid.



Andrae Baly
Notary Public
My Commission Expires: 6/14/2005

ANDRAE BALY
Notary Public, District of Columbia
My Commission Expires June 14, 2005

STATE OF _____)
)SS.
COUNTY OF _____)

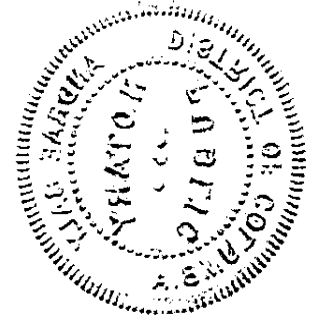
I HEREBY CERTIFY that on this ___ day of _____, 200_, before me personally appeared _____, the _____ of _____, a(n) _____, to me known to be the same persons who signed the foregoing instrument as his act and deed as such _____ for the use and purpose therein mentioned, and that the said instrument is the act and deed of said _____.

WITNESS my signature and official seal at _____ in the County of _____ and State of _____, the day and year last aforesaid.

(NOTARY SEAL)

Notary Public
My Commission Expires: _____

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ANDREA BAILY
Notary Public, District of Columbia
My Commission Expires June 14, 2008

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

SENIOR LENDER:

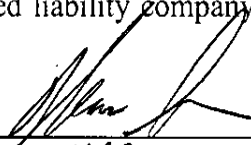
CIG INTERNATIONAL, LLC, a Delaware limited liability company

By: _____

Title: _____

JUNIOR LENDER:

RIVER CITY INVESTORS, LLC, a Michigan limited liability company

By:  _____

Name: MARC SEYBURN

Title: Authorized Signatory

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0010245109

STATE OF _____)

)SS.

COUNTY OF _____)

I HEREBY CERTIFY that on this ___ day of _____, 200_, before me personally appeared _____, the _____ of CIG International, LLC, a Delaware limited liability company, to me known to be the same persons who signed the foregoing instrument as his act and deed as such _____ for the use and purpose therein mentioned, and that the said instrument is the act and deed of said company.

WITNESS my signature and official seal at _____, in the County of _____ and State of _____, the day and year last aforesaid.

(NOTARY SEAL)

Notary Public
My Commission Expires: _____

STATE OF MICHIGAN)

)SS.

COUNTY OF OAKLAND)

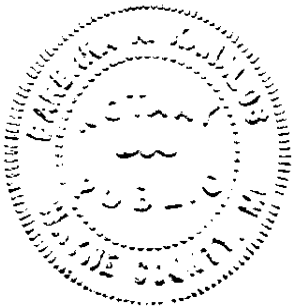
I HEREBY CERTIFY that on this 12th day of March, 2001, before me personally appeared March E. Seyburn, the authorized signatory of River City Investors, L.L.C., a(n) Michigan Limited Liability Company, to me known to be the same person(s) who signed the foregoing instrument as his act and deed as such authorized signatory for the use and purpose therein mentioned, and that the said instrument is the act and deed of said authorized signatory.

WITNESS my signature and official seal at Southfield, Michigan, in the County of Oakland and State of Michigan, the day and year last aforesaid.

(NOTARY SEAL)

Barbara A. Kanalos

Barbara A. Kanalos, Notary Public
Wayne County, MI Acting in Oakland
County, Michigan
My Commission Expires: July 8, 2004



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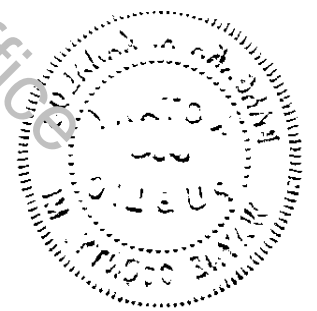


Exhibit A

Legal Description
Fee

THE LAND DESCRIBED AS FOLLOWS:

THAT PART OF BLOCKS 85 AND 86 IN THE SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FILLED OLD CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER ALL TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF BLOCK 86 AFORESAID, AND THE SOUTH LINE OF WEST POLK STREET, BEING ALSO THE NORTH LINE OF BLOCK 86, AFORESAID; THENCE NORTH 89 DEGREES 53 MINUTES 33 SECONDS WEST ALONG THE SOUTH LINE OF WEST POLK STREET 10.00 FEET TO A POINT ON THE WEST LINE OF SOUTH WELLS STREET (SAID WEST LINE BEING DRAWN 10.00 FEET WEST OF AND PARALLEL WITH THE AFOREMENTIONED EAST LINE OF BLOCK 86) SAID POINT BEING THE POINT OF BEGINNING OF THE TRACT HEREINAFTER DESCRIBED; THENCE SOUTH 00 DEGREES 03 MINUTES 37 SECONDS EAST ALONG THE WEST LINE OF SOUTH WELLS STREET AFORESAID 674.00 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 45 SECONDS WEST, 315.078 FEET TO THE EAST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AS ESTABLISHED BY ORDINANCE PASSED JULY 8, 1926; THENCE NORTH 5 DEGREES 26 MINUTES 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AFORESAID, 179.644 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTHWESTERLY FACE OF THE DOCK AS IT EXISTED PRIOR TO JULY 8, 1926; THENCE NORTH 17 DEGREES 31 MINUTES 24 SECONDS WEST ALONG THE EAST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AFORESAID 39.09 FEET; THENCE NORTH 04 DEGREES 27 MINUTES 27 SECONDS WEST ALONG THE EAST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AFORESAID 459.60 FEET TO A POINT ON THE HERETOFORE MENTIONED SOUTH LINE OF WEST POLK STREET; THENCE SOUTH 89 DEGREES 53 MINUTES 33 SECONDS EAST ALONG THE SOUTH LINE OF WEST POLK STREET AFORESAID, 378.88 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Address of Property: 800 S. Wells, Chicago

Permanent Index Tax Number: 17-16-401-004-0000 &
17-16-401-005-0000