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This instrument prepared by
and please return to:
Jennifer L. Worstell, Esq.
100 West Monroe Street #1500
Chicago, Illinois 60603

JUNIOR LEASEHOLD ESTATE MORTGAGE AND UCC-2 FINANCING STATEMENT

THIS JUNIOR LEASEHOLD ESTATE MORTGAGE ("Security Instrument") is given on MAY 10, 2000. The Mortgagor ("Mortgagor") is John Wm. Butler, Jr., never married, and John Michael VanderLinden, never married (collectively "Borrower").

This Security Instrument is given to The PrivateBank and Trust Company ("Lender") which is organized and existing under the laws of the State of Illinois, and whose address is 10 North Dearborn Street, Chicago, Illinois. This Security Instrument secures for Lender: (a) the repayment of the debt evidenced by a Promissory Note of even date ("Note") executed and delivered to Lender by Borrower in the aggregate principal sum of Two Million Five Hundred Thousand (\$2,500,000) Dollars, which Note requires all payments to be made no later than June 1, 2001; (b) the payment of all other sums, with interest, advanced under Paragraph 6 hereof to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the property located in Cook County, Illinois and legally described on Exhibit A attached hereto, which has the address of 199 East Lake Shore Drive, Apt. 10W, Chicago, Illinois ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property and together with a security interest in all building materials intended to be incorporated in the Improvements now or hereafter to be constructed thereon, whether or not incorporated therein, machines, machinery, apparatus, equipment and articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkling protection, waste removal, refrigeration, ventilation, security protection and telecommunications and all floor coverings, screens, storm windows, blinds, awnings, in each case now or hereafter

placed in, on or at property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Amount Guaranteed. Borrower shall promptly pay when due the principal and interest on the debt evidenced by the Note, any prepayment and late charges due on the Note and any amounts due pursuant to the Security Agreement ("Security Agreement") executed and delivered by Borrower to Lender concurrently herewith.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Paragraph 1 hereof shall be applied: first, to interest due; second, to principal due; third, to any late charges due under the Note; and last, to amounts due pursuant to the Security Agreement.

3. Charges; Liens. Borrower shall pay all taxes, rents, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay them on time directly to the person or entity owed payment. Upon request, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph and receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument; and (d) obtains title insurance insuring Lender of its priority over the lien. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within thirty (30) days of the giving of notice.

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4. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval, which approval shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 6.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee, loss payee and additional insured clause in favor of the Lender. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make a proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty-day period will begin when the notice is given.

If under Paragraph 17 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy and use the Property as Borrower's principal residence. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a

default and reinstate, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease and any underlying ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

6. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this Paragraph 6, Lender does not have to do so.

Any amounts disbursed by Lender under this Paragraph 6 shall become additional debt of Borrower and secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the prime rate announced and in effect at The PrivateBank and Trust Company, plus three (3%) percent per annum, and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument,

whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor-in-interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors-in-interest. Lender shall not be required to commence proceedings against any successor-in-interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors-in-interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower subject to the provisions of paragraph 14. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument

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of the Note without Borrower's consent.

11. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

12. Notices. Any notice to Borrower provided for in this Security Instrument shall be given as provided in the Security Agreement.

13. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to be severable.

14. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold, transferred, leased, encumbered or otherwise liened, voluntarily or involuntarily (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period to cure as provided in the Security Agreement. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

15. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) five (5) days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security

Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note and Security Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Paragraph 14.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances ("Hazardous Substances") on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two (2) sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, material containing asbestos or formaldehyde and radioactive materials. As used in this Paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Paragraph 14 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than

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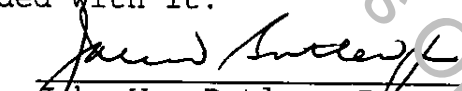
thirty (30) days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

18. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation cost.

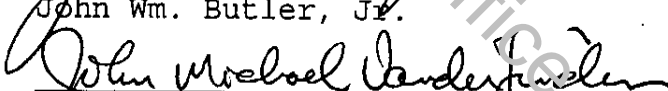
19. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

20. Junior Mortgage. This instrument and all other Security Documents securing the Note are subordinate to the lien of The PrivateBank and Trust Company's Leasehold Estate Mortgage and Assignment of Rents and Leases recorded as Document No. 96525867 which secures a note ("First Note") in the amount of \$3,000,000, and all other documents securing the First Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.



John Wm. Butler, Jr.



John Michael VanderLinden

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STATE OF ILLINOIS)
COUNTY OF C O O K) SS



I, Donald F. Plantz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John Wm. Butler, Jr., never married, 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 as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal May 15th, 2000.

Donald F. Plantz
Notary Public

STATE OF ILLINOIS)
COUNTY OF C O O K) SS



I, Donald F. Plantz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John Michael VanderLinden, never married, 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 as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal May 15th, 2000.

Donald F. Plantz
Notary Public

EXHIBIT A

LEGAL DESCRIPTION:

That leasehold estate created by a Proprietary Sublease dated March 27, 1995 between 199 Cooperative Corp. as Sublessor and Borrower as Lessee for a term beginning on March 27, 1995 and ending on May 31, 2093 demising Apartment No. 10W located on the Western portion of the 10th and 11th floors and a portion of the roof, together with parking spaces numbered 11 and 12 in a garage, as indicated on the Plan attached hereto as Exhibit 1 (the "Apartment") located at the property address, which is legally described as follows:

NORTH PARCEL:

THE WEST 17.00 FEET OF LOT 9, ALL OF LOT 10, THE EAST 33.00 FEET OF LOT 11, THAT PART OF THE EAST 17.00 FEET OF LOT 32, TOGETHER WITH THAT PART OF LOT 33 AND THAT PART OF THE WEST 17.00 FEET OF LOT 34, ALL TAKEN AS ONE TRACT, LYING NORTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE EAST LINE OF THE WEST 17.00 FEET OF LOT 34 AFORESAID, 59.34 FEET NORTH (AS MEASURED ALONG SAID EAST LINE) OF THE SOUTH LINE OF SAID LOT, THENCE NORTH 78 DEGREES 35 MINUTES 27 SECONDS WEST, 73.10 FEET TO THE POINT OF INTERSECTION WITH A LINE DRAWN 73.10 FEET (AS MEASURED PERPENDICULARLY) WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST 17.00 FEET OF LOT 34 AFORESAID; THENCE SOUTH 0 DEGREES 41 MINUTES 47 SECONDS WEST, ALONG SAID PARALLEL LINE, 10.30 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 27 SECONDS WEST, 10.91 FEET TO THE POINT OF INTERSECTION WITH THE WEST LINE OF THE EAST 17.00 FEET OF LOT 32 AFORESAID, SAID POINT BEING 49.01 FEET NORTH (AS MEASURED ALONG SAID WEST LINE) OF THE SOUTH LINE OF SAID LOT, ALL IN FITZSIMMON'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF BLOCK 8, IN CANAL TRUSTEES' SUBDIVISION OF THE SOUTH FRACTIONAL QUARTER OF FRACTIONAL SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

A Memorandum of the above-described Lease has been recorded as document number 95208158 and a short form ground lease that grants the Leasehold interest to Sublessor in the Apartment Building known as 199 East Lake Shore Drive has been recorded as Document Number 94438253 with the Recorder of Deeds, Cook County, Illinois. See Cooperative Rider attached hereto and made a part hereof as Exhibit 2.