

This document prepared by
and should be returned to:

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Chicago, Illinois 60606

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Memorandum of
Intercreditor Agreement dated as of
January 13, 1998
between
Parkway Bank and Trust Company ("Parkway")
and
General Electric Capital Corporation ("GECC")
(the "Intercreditor Agreement")

WHEREAS:

A. There is a real estate development located at 800 South Wells Street, Chicago, Illinois ("Project") legally described on Exhibit A hereto consisting of: (i) a 446 unit apartment building ("Residential Property") and (ii) additional property legally described on Exhibit B hereto ("Commercial Property") including a 240,000 square foot commercial development, a health club, an indoor parking facility and a 64 slip marina ("Marina").

B. River City Fee, L.L.C., an Illinois limited liability company ("RCF") owns the Project.

C. Parkway Bank and Trust Company, not individually but as Trustee under a Trust Agreement dated December 16, 1997 and known as Trust No. 11855 ("Ground Lessee") whose sole beneficiary is River City Leasehold, L.L.C., an Illinois limited liability company ("RCL"), pursuant to a Restated Lease dated as of January 2, 1998 ("Ground Lease"), leases the Commercial Space from RCF. RCL is an affiliate of RCF.

D. GECC has made a first mortgage loan and a second mortgage loan to RCF in the aggregate principal amount of up to \$27,000,000 (the "GECC Loans") and received as security a first and a second mortgage upon: (i) the Project and (ii) the lessor's interest held by RCF under the Ground Lease. GECC has also received as part of its security a pledge from the members and managers of RCL, on a non-recourse basis, of their membership interests and management rights in RCL, subject to the conditions and restrictions described herein (the "RCL Pledge"), which is of

equal priority with the pledge of such membership interests and management rights in RCL made to Parkway.

E Parkway has made a first mortgage loan to RCL in an aggregate principal amount of \$16,500,000 ("Parkway Loan") to RCL and received as part of its security: (i) a first leasehold mortgage upon the Ground Lessee's leasehold interest in the Commercial Property, (ii) a first mortgage from RCF, on a non-recourse basis, on the fee interest in the Marina that was recorded at closing with a conditional legal description and will be re-recorded when a more definite legal description is available subsequent to closing, and (iii) a first priority pledge from the members and managers of RCF, on a non-recourse basis, of their membership interests and management rights in RCF, subject to the conditions and restrictions described in the Intercreditor Agreement (the "RCF Pledge"). The first leasehold mortgage to Parkway shall be expressly subject and subordinate to the GECC Loans, provided that Parkway is entitled to the recognition and non-disturbance rights described in the Intercreditor Agreement.

F. As of the date hereof, a survey of the Marina has not been made so that a separate legal parcel that can be described in a mortgage to Parkway with exact dimensions or exact identification of the areas that contain the structural supports and systems that are required for the portions of the Project above the Marina.

G. RCL, the Ground Lessee and RCF have joined in the Intercreditor Agreement.

NOW, THEREFORE, in consideration of their mutual agreements and \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, GECC and Parkway agree as follows:

1. This Memorandum evidences the Intercreditor Agreement and establishes of record the existence and binding effect thereof on GECC, Parkway and their respective successors and assigns with respect to the GECC Loans and the Parkway Loan.

2. Under the Intercreditor Agreement:

(i) GECC has agreed to certain recognition and non-disturbance rights for the benefit of Parkway with respect to the Ground Lease;

(ii) GECC has agreed to release its first mortgage as to the Marina upon the satisfaction of certain conditions stated therein;

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(iii) Parkway has agreed that its mortgage on the Marina is subject to certain easements, reservations and exceptions as may be reasonably necessary to protect the rights of the rest of the Project; and

(iv) Parkway and GECC each have agreed to refrain from exercising their rights under the RCF Pledge and the RCL Pledge, respectively, until it has satisfied certain conditions contained therein.

3. This Memorandum is subject to, and hereby incorporates all of the terms and conditions of, the Intercreditor Agreement. Any party holding or proposing to hold an interest in the Project may obtain a copy thereof by written request to GECC or Parkway at their addresses as provided below their signatures hereon.

IN WITNESS WHEREOF, the foregoing parties have executed this Memorandum as of the date first written above.

Parkway Bank and Trust Company

By: Paul Gembara, Asst. VP
Name: Paul Gembara
Its: Asst. Vice President

Address:
4800 North Harlem Avenue
Harwood Heights, Illinois 60656
Attention: Chairman of the Board
Phone: (708) 867-6600
Telecopy: (708) 867-2679

General Electric Capital Corporation

By: _____
Name: _____
Its: _____

Address:
209 West Jackson Street
Suite 200
Chicago, Illinois 60606
Attention: Region Manager
Portfolio Management Operations
Phone: (312) 360-7434
Telecopy: (312) 663-0902

(iii) Parkway has agreed that its mortgage on the Marina is subject to certain easements, reservations and exceptions as may be reasonably necessary to protect the rights of the rest of the Project; and

(iv) Parkway and GECC each have agreed to refrain from exercising their rights under the RCF Pledge and the RCL Pledge, respectively, until it has satisfied certain conditions contained therein.

3. This Memorandum is subject to, and hereby incorporates all of the terms and conditions of, the Intercreditor Agreement. Any party holding or proposing to hold an interest in the Project may obtain a copy thereof by written request to GECC or Parkway at their addresses as provided below their signatures hereon.

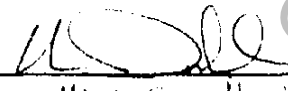
IN WITNESS WHEREOF, the foregoing parties have executed this Memorandum as of the date first written above.

Parkway Bank and Trust Company

By: _____
Name: _____
Its: _____

Address:
4800 North Harlem Avenue
Harwood Heights, Illinois 60656
Attention: Chairman of the Board
Phone: (708) 867-6600
Telecopy: (708) 867-2679

General Electric Capital Corporation

By: 
Name: Marc Smerello
Its: Senior Operations Manager

Address:
209 West Jackson Street
Suite 200
Chicago, Illinois 60606
Attention: Region Manager
Portfolio Management Operations
Phone: (312) 360-7434
Telecopy: (312) 663-0902

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STATE OF Illinois)
 COUNTY OF Cook) SS

I, PATRICIA A EVERS, a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared PAUL GIMBARA, known to me to be the ASS. Vice President of Parkway Bank and Trust Company, an Illinois banking corporation, and acknowledged to me that she/he executed and delivered this Memorandum of Intercreditor Agreement as her/his free and voluntary act, as the free and voluntary act of said corporation, for the uses and purposes set forth above.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 14 day of January, 1998.

Patricia A Evers
 Notary Public

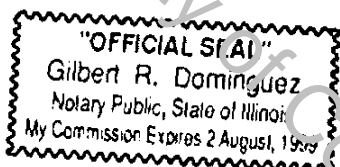
My Commission Expires: 2-15-98

"OFFICIAL SEAL"
 PATRICIA A. EVERS
 Notary Public, State of Illinois
 My Commission Expires 2-15-98

STATE OF Illinois)
) SS
COUNTY OF Cook)

I, GILBERT R DOMINGUEZ a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared Marc Szwedlow, known to me to be the Senior Regional Manager of General Electric Capital Corporation, a New York corporation, and acknowledged to me that she/he executed and delivered this Memorandum of Intercreditor Agreement as her/his free and voluntary act, as the free and voluntary act of said corporation, for the uses and purposes set forth above.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 14th day of January, 1998.



Gilbert R Dominguez
Notary Public

My Commission Expires: 2 August 1999

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT

Property of Cook County Clerk's Office

EXHIBIT A
Legal Description

That part of Blocks 85 and 86 in the School Section Addition to Chicago, begin 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 $89^{\circ}53'33''$ 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 $0^{\circ}03'37''$ East along the West line of South Wells Street aforesaid, 674.00 feet; thence North $89^{\circ}55'45''$ 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 $5^{\circ}26'15''$ 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 $17^{\circ}31'24''$ West along the East line of the South Branch of the Chicago River aforesaid, 39.09 feet; thence North $4^{\circ}27'27''$ 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 $89^{\circ}53'33''$ East along the South line of West Polk Street aforesaid, 378.88 feet to the hereinabove designated point of beginning, in Cook County, Illinois.

Property Address: 800 South Wells Street
Chicago, IL

PERMANENT INDEX NUMBER: 17-16-401-0004
17-16-401-0005

EXHIBIT B

LEGAL DESCRIPTION OF COMMERCIAL PROPERTY

Property of Cook County Clerk's Office

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Lying above a horizontal plane of elevation -6.00 feet and that part lying below a horizontal plane of elevation +52.50 feet Chicago City Datum, 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 of the Filled Old Channel of the South Branch of the Chicago River, all taken as a tract, described as follows:

Commencing at the intersection of the East line of Block 86 aforesaid with the South line of West Polk Street; thence North $89^{\circ}53'33''$ 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 $0^{\circ}03'37''$ East along the West line of South Wells Street aforesaid, 388.00 feet; thence South $89^{\circ}56'23''$ West, perpendicularly to the last described course, 201.31 feet to the Easterly line of a 20 foot Permanent Access Easement per Circuit Court of Cook County Case Number 76 L 11624 entered July 1, 1977; thence South $5^{\circ}26'15''$ East along the Easterly line of the Permanent Access Easement aforesaid, 101.46 feet; thence South $84^{\circ}33'45''$ West, perpendicularly to the last described course, 130.60 feet; thence South $20^{\circ}16'42''$ West, 21.67 feet to the East line of the South Branch of the Chicago River as established by Ordinance passed July 8, 1926; thence North $5^{\circ}26'15''$ West along the East line of the South Branch of the Chicago River aforesaid, 27.27 feet to its point of intersection the Southwesterly face of the dock as it existed prior to July 8, 1926; thence North $17^{\circ}31'24''$ West along the East line of the South Branch of the Chicago River aforesaid, 39.09 feet; thence North $4^{\circ}27'27''$ 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 $89^{\circ}53'33''$ East along the South line of West Polk Street aforesaid, 378.88 feet to the hereinabove designated point of beginning, in Cook County, Illinois.

PROPERTY OF Cook County Clerk's Office