

UG2 REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

UG2, LLC

This agreement was prepared by
and after recording return to:
Elizabeth A. Gutierrez, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

8002703

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LIST OF EXHIBITS

Exhibit A	*Legal Description of Redevelopment Area
Exhibit B	Description of Project
Exhibit C	*Legal Description of Property
Exhibit D	Construction Requirements
Exhibit E-1	*Project Budget
Exhibit E-2	*MBE/WBE Project Budget
Exhibit F	*Permitted Liens
Exhibit G	Approved Prior Expenditures
Exhibit H	Requisition Form
Exhibit I	*TIF-Funded Improvements
Exhibit J	Form of Acknowledgement Agreement
Exhibit K	Opinion of Developer's Counsel
Exhibit L	Insurance Requirements

(An asterisk(*) indicates which exhibits are to be recorded.)

This agreement was prepared by and after recording return to:
Elizabeth A. Gutierrez, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

UG2 REDEVELOPMENT AGREEMENT

This UG2 Redevelopment Agreement (this "Agreement") is made as of this 15th day of May, 2008, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and UG2, LLC, an Illinois Limited Liability Company, headquartered in the State of Illinois (the "Developer"). Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

A. City Council Authority: To induce redevelopment pursuant to provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act") the City Council of the City (the "the City Council") adopted certain ordinances on March 31, 2004 approving a redevelopment plan for the Devon/Sheridan Redevelopment Project Area (the "Redevelopment Area"), designating the Redevelopment Area as a "redevelopment project area" under the Act, adopting tax increment allocation financing for the Area (collectively, the "TIF Ordinances"). The Redevelopment Area is legally described in Exhibit A hereto.

B. The Project: The Developer intends to undertake the redevelopment project described in Exhibit B hereto (the "Project") with respect to certain property owned or leased by the Developer

located within the Redevelopment Area and commonly known as 1401-1405 W. Devon Ave. and legally described on Exhibit C (the "Property"). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out substantially in accordance with this Agreement and the City of Chicago Devon/Sheridan Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan").

C. City Financing: The City agrees to use Incremental Taxes to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Available Incremental Taxes" shall mean an amount equal to ninety percent (90%) of the Incremental Taxes attributable to the taxes levied, or to be levied, on the Property and deposited in the Redevelopment Area TIF Fund, as adjusted to reflect the amount of the City Fee described in Section 4.05 hereof.

"Certificate" shall mean the Certificate of Completion described in Section 7.01 hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Fee" shall mean the fee described in Section 4.05 hereof.

"City Funds" shall mean the funds described in Section 4.01 hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Completion Date" shall mean the date the City issues its Certificate of Completion.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

"Employer(s)" shall have the meaning set forth in Paragraph F of Exhibit D hereto.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) in an amount not less than that set forth in Section 4.01 hereof.

"Event of Default" shall have the meaning set forth in Section 12 hereof.

"FTE" shall mean a full-time equivalent employee who worked for the Developer at the Property for a minimum of 1,800 annual hours. For purposes of Section 8.05, the calculation of the number of full-time equivalent employees shall be made by dividing the total hours worked for the Developer at the Property (including part-time employees) during the applicable 12-month period by 1,800 hours.

"General Contractor" shall mean the general contractor(s) hired by the Developer for the Project.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Redevelopment Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and used to pay for Costs of the Project otherwise secured by the Property.

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit E-2.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit F hereto.

"Prior Expenditure(s)" shall mean those prior expenditures relating to the Project set forth in Exhibit G hereto.

"Prohibited Use" shall mean a fast-food chain restaurant, a national chain business, a branch bank, an employment agency, a currency exchange, a payday loan store, a pawn shop, a psychic or astrological or palm-reading business, a bar or liquor store, except that a bar for on-site consumption and part of a restaurant shall be permitted, an adult bookstore, a massage parlor, a hotel or motel, an off-track betting facility, a trailer-storage yard, a scrap yard, or any use similar to the preceding uses or otherwise identified in writing by DPD. The Commissioner of DPD shall have discretion to consent to a waiver of any of the foregoing prohibited uses for any specific development, which discretion shall be in the Commissioner's sole discretion.

"Project Budget" shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Project by line item, as the same may be amended from time to time with the consent of DPD, which shall not be unreasonably withheld.

"Redevelopment Area TIF Fund" shall mean the special tax allocation fund created by the City in connection with the

Redevelopment Area into which the Incremental Taxes will be deposited.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Reimbursement Event" shall mean an act or omission by the Developer or its Affiliate resulting in an Event of Default relating to: (i) a material misrepresentation to the City related to the Project that the City relied upon (as reasonably determined by the City) in its decision to provide City Funds for the Project or to pay any such City Funds to the Developer; (ii) a fraudulent act or omission related to the Project; (iii) a misappropriation of funds from the uses set forth in the Project Budget resulting in the receipt by the Developer or its Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Project improvements or any portion thereof; (v) any unapproved use of City Funds for payment or reimbursement of amounts other than costs of the TIF-Funded Improvements; (vi) a breach of the transfer and assignment restrictions contained in this Agreement; (vii) any material breach of the representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to any portion of the Project improvements unless the portion of the improvements damaged by such event is restored within a reasonable period of time; (ix) material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer or its Affiliates; (xi) any receipt of City Funds after the occurrence of an Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by the Developer to DPD pursuant to Section 4.03 of this Agreement.

"Survey" shall mean that certain survey of the Property prepared by MM Surveying Company, Inc. dated February 19, 2003 and last updated on January 7, 2008 which Survey is acceptable to the Title Company.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the earlier to occur of: (a) the date on which the Redevelopment Area is no longer in effect, and (b) the date on which the final payment of City Funds is made under this Agreement.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, as set forth on Exhibit I, as the same may be amended with DPD's and Developer's consent.

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and an acknowledgement agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

SECTION 3. THE PROJECT

3.01 The Project. The Developer will complete the Project no later than December 31, 2007, or such later date as to which DPD may consent.

3.02 Project Budget. The Developer has furnished to DPD, and DPD has approved, the Project Budget. The Developer hereby certifies to the City that to the best of Developer's knowledge a) the City Funds, together with Lender Financing and Equity shall be sufficient to complete the Project, and (b) the Project Budget is true, correct and complete in all material respects.

3.03 DPD Approval. Any approval granted by DPD under this Agreement is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City

department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project or otherwise lessen the Developer's obligations under Section 5.02.

3.04 Survey Update. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements of a material nature to the Property.

3.05 Signs and Public Relations. The Developer shall erect a sign in accordance with a template provided by DPD, and subject to final approval by DPD, in a conspicuous location on the Property approved by Developer, during construction of the Project indicating that financing has been provided by the City.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$2,068,935 which the Developer will initially fund from the following sources:

Equity	\$ 397,135
Lender Financing	\$1,671,800

ESTIMATED TOTAL **\$2,068,935**

Such sources of funds shall be used to pay all Project costs because no City Funds will be paid until the City's issuance of a Certificate, and then only on a "pay-as-you-go" basis. Except for the City Funds, no other City financial assistance or incentives have been given or promised for the Project.

4.02 Reimbursement from City Funds. City Funds may only be used to reimburse the Developer after the issuance of a Certificate for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit I sets forth the maximum amount of costs that may be reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory to DPD. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate. In no event shall the City reimburse the Developer in excess of the lesser of (a) \$517,234 or (b) twenty-five percent (25%) of the Project costs, as set out in the final Project Budget. Such payments shall be made in five installments of \$103,446.80 each upon the Developer's submission of a Requisition Form in accordance with Section 4.03 as follows: the first payment shall be made upon the issuance of the Certificate, and the four subsequent payments shall be made annually on February 1; provided, however, that the Commissioner in his or her sole discretion may elect to prepay the City Funds. Furthermore, in no instance shall the total City Funds paid under this Agreement, together with any other financial assistance provided to the Developer by the City with respect to the Project (including, without limitation, the value of any tax assessment incentives, abatements or reductions), exceed twenty-five percent (25%) of the Project costs, as set out in the final Project Budget.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide funds solely from Available Incremental Taxes to reimburse the Developer for the cost of TIF-Funded Improvements up to the maximum amount determined under the last sentence of the preceding paragraph (the "City Funds"). City Funds derived from Available Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as:

(i) The amount of the Available Incremental Taxes is sufficient to pay for such costs; and

(ii) The City has been paid the City Fee described in Section 4.05 below.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above, as well as the prior issuance of the Certificate and the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.05. The City acknowledges that if, at any time, there are insufficient City Funds to make a scheduled payment, the City will pay the deficiency promptly upon receipt of sufficient funds in the Redevelopment Area TIF Fund.

4.03 Requisition Form. On the Completion Date and by each January 1st (or such other date as the parties may agree to) thereafter and continuing throughout the Term of the Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per year (or as otherwise permitted by DPD). Upon DPD's request, the Developer shall meet with DPD to discuss any Requisition Form(s).

4.04 Prior Expenditures. Exhibit G hereto sets forth the prior expenditures approved by DPD as of the date hereof.

4.05 City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

4.06 Cost Overruns. The Developer shall be solely responsible for any Project costs in excess of those set forth in the Project Budget and shall hold the City harmless from any and all such costs.

4.07 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed as provided in Section 12.

SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

5.02 Other Governmental Approvals. The Developer must have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before

construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing to complete the Project. Any liens against the Property in existence at the Closing Date must have been subordinated to this Agreement pursuant to an Acknowledgement Agreement in the form of Exhibit J to be recorded, at the expense of the Developer, with the Recorder's Office of Cook County.

5.04 Acquisition and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions listed on Exhibit F hereto and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey.

If the Project involves any acquisition of real property, the Developer must have provided DPD with documentation related to such acquisition.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under its name and the following other names as follows: Uncommon Ground, Inc.

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property, Uncommon Ground, Inc. or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.06 Surveys. The Developer must have furnished the City with three (3) copies of the Survey.

5.07 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit L hereto, and delivered to DPD actual policies or Accord Form 27 certificates evidencing the required coverages.

5.08 Opinion of the Developer's Counsel. On the Closing Date, the Developer must have furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit K, with such changes as may be acceptable to Corporation Counsel.

5.09 Evidence of Prior Expenditures. The Developer must have provided evidence satisfactory to DPD in its reasonable discretion of the Prior Expenditures.

5.10 Financial Statements. The Developer must have provided DPD with such financial statements as DPD may reasonably require, not more than one (1) time per calendar year.

5.11 Documentation. The Developer must have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to the current number of employees per Section 8.05.

5.12 Environmental. The Developer must have provided DPD with copies of any existing phase I environmental audits completed with respect to the Property and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.13 Corporate Documents; Economic Disclosure Statement. The Developer must have provided a copy of its Articles of Organization containing the original certification of the Secretary of State of Illinois; certificates of good standing from the Secretary of State of Illinois; a secretary's certificate or similar instrument in such form and substance as the Corporation Counsel may require; operating agreement of the company and such other organizational documentation as the City has requested. The Developer must also have provided the City with an Economic Disclosure Statement dated as of the Closing Date.

5.14 Litigation. The Developer must have provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer and the Property, if any.

SECTION 6. AGREEMENTS WITH CONTRACTORS AND CONSTRUCTION REQUIREMENTS

In connection with the Project, the Developer shall comply with, and shall require the general contractor and all subcontractors to comply with, the construction requirements set forth in Exhibit D that are applicable to such parties. Such requirements are specific City requirements that must be satisfied and include, without limitation, wage, MBE/WBE utilization and City resident hiring requirements.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon substantial completion of the Project in accordance with the terms of this Agreement (including the requirements set forth in Section 8.05 and Exhibit D) and upon the Developer's written request, DPD shall either issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement or a written statement detailing the measures which must be taken in order to obtain the Certificate. DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the substantial completion of the Project. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the performance of the work associated with the Project improvements. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.05 and 8.14 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 15.15 of this Agreement.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, subject to force majeure, no Certificate will ever be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Funds will ever be paid to the Developer. In addition, if the Project's TIF-Funded Improvements include any public improvements, the City will have the right (but not the obligation) to complete such public improvements and the Developer must immediately reimburse the City for all reasonable costs and expenses incurred in completing such public improvements.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) the Developer is a Limited Liability Company of the State of Illinois duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary actions, and does not and will not violate its Articles of Organization or operating agreement, as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) during the term of this Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except

for the Permitted Liens and such other matters as DPD may consent to in writing;

(e) the Developer is now and for the Term of the Agreement intends to remain solvent and be able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, or to Developer's knowledge threatened, or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has and shall maintain, or will obtain and thereafter shall maintain, all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any agreement or instrument related to the borrowing of money to which the Developer is bound or for which the Property serves as collateral;

(i) any financial statements provided to the City are and will be, at the time of submittal, true, complete and correct in all material respects;

(j) the Developer shall not directly or indirectly do any of the following without the prior written consent of DPD, which consent shall not be unreasonably withheld: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property; or (3) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City;

(l) the Property shall not be used for any Prohibited Use;

8.02 Covenant to Redevelop. The Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the Redevelopment Plan, the TIF Ordinances, the Project Budget and all amendments thereto, and all applicable federal, state and local laws, ordinances, rules, regulations, executive orders and codes. The covenants set forth in this Section 8.02 shall run with the land but shall be deemed satisfied and shall terminate when the City issues its Certificate for recording in the Recorder's Office of Cook County.

8.03 Use of City Funds. City Funds shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements.

8.04 Bonds. The Developer shall, at the request of the City, agree to any mutually acceptable reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area; provided, however, that any such amendments shall not have an adverse effect on the Developer or the Project or reduce, eliminate or extend the timing of any obligations of the City. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project, providing information regarding its financial condition and cooperating with the City in preparing an offering statement with respect thereto. If any such bonds are issued, the City may use the proceeds thereof to reimburse the Developer for any amounts remaining due under this Agreement.

8.05 Job Creation and Retention; Covenant to Remain in the City. The Developer covenants that, as of the date of this Agreement, and as a condition to the issuance of the Certificate, not less than fifteen (15) FTE jobs and fifteen (15) part-time jobs shall be created or retained by the Developer at the Property. The Developer further covenants that at all times thereafter through the earlier to occur of (i) the fifth anniversary date of the issuance of the Certificate pursuant to Section 7.01, and (ii) the final payment of City Funds under this Agreement:

- (a) not less than fifteen (15) FTE jobs and fifteen (15) part-time jobs be retained by the Developer at the Property; and

- (b) it will maintain its operations within the City of Chicago and operate the Property for the same use and at substantially the same capacity as described in the Developer's TIF application and/or this Agreement, unless the covenant in clause (a) is satisfied and the Commissioner of DPD, in the Commissioner's reasonable discretion, consents to a change in use.

During the Term of the Agreement, the Developer shall, at the time of filing the annual Requisition Form, provide DPD with a notarized affidavit certifying to its compliance with this Section 8.05 for the 12 month period ending the day prior to the date of such filing date of such certificate. Compliance with Section 8.05(a) shall be determined on an annual FTE average only. The covenants set forth in this Section 8.05(a) shall run with the land and be binding upon any permitted transferee, if any, for the period set forth in the first paragraph of this Section 8.05.

8.06 Arms-Length Transactions. Unless disclosed in the approved Project Budget or unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.07 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.08 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

8.09 Financial Statements. The Developer shall provide DPD with financial statements for each fiscal year within 90 days of the close of such fiscal year.

8.10 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit L.

8.11 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.12 Compliance with Laws. The Property and the Project are and shall be owned and operated in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes.

8.13 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute an acknowledgement agreement substantially in the form of Exhibit J.

8.14 Real Estate Provisions; Governmental Charges. Subject to the next paragraph, the Developer will pay when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances, including, but not limited to, general real estate taxes.

The Developer has the right, before any delinquency occurs, to contest any Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.15 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that it has caused to be conducted environmental studies sufficient to conclude that, to the best of Developer's knowledge, the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 10. INDEMNIFICATION

Except for those matters resulting from the negligent or intentional acts of the Indemnitees (as hereinafter defined), the Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnatee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner directly or indirectly relating or arising out of Developer's failure to perform under the terms of this Agreement. The provisions of the undertakings and indemnification set out in this Section 10 shall survive the termination of this Agreement.

SECTION 11. MAINTAINING RECORDS/RIGHT TO INSPECT

The Developer shall (a) comply with the requirements of Paragraph H of Exhibit D during the Term of the Agreement and to the extent within Developer's control, require the other applicable parties to comply with such requirements, and (b) upon five (5) business days' notice, permit any authorized representative of the City to have access to all portions of the Project and the Property during normal business hours to confirm the Developer's compliance with its obligations under this Agreement, provided that such access shall not interfere with the operation of the business being conducted at the Project.

SECTION 12. DEFAULT AND REMEDIES

12.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 12.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(b) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings directly involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless an action to dismiss such proceedings is not commenced within sixty (60) days after the commencement of such proceedings;

(c) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless an action to dismiss such appointment or such proceedings is not commenced within sixty (60) days after the commencement thereof;

(d) the entry of any judgment or order against the Developer or the Property which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(e) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's reasonable satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement; or

(f) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns 45% or more ownership interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns such a material interest in the Developer, for any crime (other than a misdemeanor).

12.02 Remedies. Upon the occurrence of an Event of Default, and after any applicable curative period has expired, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy. However, the City shall not be entitled to recover any City Funds previously paid to the Developer unless the Event of Default involves a Reimbursement Event.

12.03 Curative Period. In the event the Developer fails to perform any covenant or obligation or breaches any representation or warranty which the Developer is required to perform under this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. No such cure period, however, shall apply to Events of Default described in Section 12(b), (c), (d), (e) or (f), which defaults shall have the cure periods described therein, if any.

SECTION 13. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit F hereto. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless it complies with the first sentence of Section 15.15 hereof.

SECTION 14. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified mail, return receipt requested.

If to the City: City of Chicago
 Department of Planning and Development
 121 North LaSalle Street, Room 1000
 Chicago, IL 60602
 Attention: Commissioner

With Copies To: City of Chicago
 Department of Law
 Finance and Economic Development
 Division
 121 North LaSalle Street, Room 600
 Chicago, IL 60602

If to the Developer:UG2, LLC
 1401 W. Devon Ave.
 Chicago, Illinois 60660

With Copies To: Jay Levin
 J. Levin & Associates, Ltd.
 707 Skokie Boulevard, Suite 400
 Northbrook, Illinois 60062

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (c) shall be deemed received two (2) business days following deposit in the mail.

SECTION 15. MISCELLANEOUS

15.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit A hereto without the consent of any party hereto, (provided that in no event shall such amendment, modification or supplement to Exhibit A cause the Project to be removed from the Redevelopment Area or otherwise cause the provisions of this Agreement to become modified, null, void or unenforceable), and DPD may grant consents as explicitly provided for under certain sections of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 15.01 shall be defined as any deviation from the terms of the Agreement which operates to materially reduce the scope of the Project, to reduce the job-retention obligations in Section 8.05 by more than five percent (5%), to materially change the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer.

15.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

15.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

15.04 Further Assurances. The parties agree to take such usual and customary reasonable actions, including the execution and delivery of such mutually acceptable documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

15.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with

respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement in any one instance shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision in another instance or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

15.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

15.07 Disclaimer. Nothing contained in this Agreement nor any act of the City or Developer shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City and Developer.

15.08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

15.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

15.10 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

15.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and any bond ordinances relating to the Redevelopment Area existing on the date of this Agreement, if any, such ordinance(s) shall prevail and control.

15.12 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

15.13 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content reasonably satisfactory to the City.

15.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

15.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, which consent shall not be unreasonably withheld and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement. The foregoing limitation shall not prevent the Developer from collaterally assigning to a lender that is also providing financing for the Project the Developer's right to receive the payment of City Funds as security for such lender financing. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part, provided that the assignee shall assume all of the City's obligations under this Agreement.

15.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

15.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be

considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, promptly give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

15.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

15.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

15.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

15.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and

any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

15.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement may be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If to the City:

City of Chicago Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

With a copy to:

City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

If to the Lender:

Banco Popular North America
9600 West Bryn Mawr, Suite 500
Rosemont, Illinois 60018
Attention: Mr. Ray Chrowder

With a copy to:

Latimer LeVay Jurasek LLC
55 West Monroe Street, Suite 1100
Chicago, Illinois 60603
Attention: Gregg R. Rotter

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.



7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

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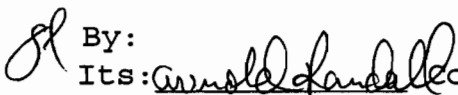
A handwritten mark or signature, possibly a stylized letter 'e' or a similar symbol, located at the bottom right of the page.

IN WITNESS WHEREOF, this Acknowledgement Agreement has been signed as of the date first written above.

BANCO POPOLAR NORTH AMERICA,
a national banking association

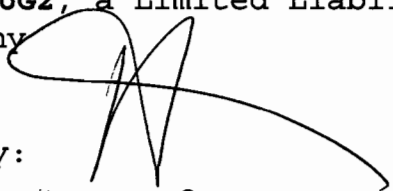
By: 
Its: Vice President

CITY OF CHICAGO

By: 
Its: ~~Arnold Daniels~~ Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
15TH DAY OF May, 2008

**UG2, a Limited Liability
Company**

By: 
Its: **MANAGER**

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

UG2, LLC

By: 

Its: Manager

CITY OF CHICAGO, acting by and through its Department of Planning and Development

By: 
Arnold L. Randall
Commissioner 

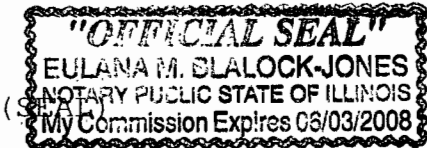
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that MICHAEL CAMERON, personally known to me to be the MANAGER of UG2, an Illinois Limited Liability Company(the "Developer"), and 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/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15th day of May, 2008.



Notary Public



My Commission Expires 6/3/08

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Yolanda Quesada, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Arnold L. Randall, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and 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 she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15th day of _____, 2008.

Yolanda Quesada
Notary Public

My Commission Expires 8-17-2009



EXHIBIT A

Legal Description of the Redevelopment Area

See Attached.

Exhibit "A".

*Devon/Sheridan Redevelopment Project
Area Legal Description.*

All that part of the north half of Section 5 and that part of the east half of the northeast quarter of Section 6 in Township 40 North, Range 14 East of the Third Principal Meridian and that part of the east half of the southeast quarter of Section 31 and that part of Section 32, in Township 41 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the southeast corner of Lot 12 in Block 1 of Brockhausen and Fischer's First Addition to Edgewater, a subdivision in the east half of the northwest quarter of Section 5, Township 40 North, Range 14 East of the Third Principal Meridian, said southeast corner of Lot 13 being also the point of intersection of the west line of North Broadway with the north line of West Rosemont Avenue; thence west along said north line of West Rosemont Avenue to the east line of Lot 25 in said Block 1 of Brockhausen and Fischer's First Addition to Edgewater, said east line of Lot 25 being also the west line of the alley west of North Broadway; thence north along said west line of the alley west of North Broadway to the north line of Lot 34 in said Block 1 of Brockhausen and Fischer's First Addition to Edgewater; thence west along said north line of Lot 34 in Block 1 of Brockhausen and Fischer's First Addition to Edgewater and along the westerly extension thereof to the west line of North Magnolia Avenue; thence north along said west line of North Magnolia Avenue to the north line of Lot 2 in Block 2 of said Brockhausen and Fischer's First Addition to Edgewater; thence west along said north line of Lot 2 in Block 2 of Brockhausen and Fischer's First Addition to Edgewater to the west line of said Lot 2, said west line of Lot 2 being also the east line of the alley west of North Magnolia Avenue; thence south along said east line of the alley west of North Magnolia Avenue to the easterly extension of the south line of Lot 35 in said Block 2 of Brockhausen and Fischer's First Addition to Edgewater; thence west along said easterly extension and the south line of Lot 35 in Block 2 of Brockhausen and Fischer's First Addition to Edgewater and along the westerly extension thereof to the west line of North Lakewood Avenue; thence north along said west line of North Lakewood Avenue to the south line of Lot 1 in Block 3 of said Brockhausen and Fischer's First Addition to Edgewater; thence west along said south line of Lot 1 in Block 3 of Brockhausen and Fischer's First Addition to Edgewater to the west line thereof, said west line of Lot 1 being also the east line of the alley west of North Lakewood Avenue; thence continuing west along a straight line to the southeast corner of the parcel of property bearing Permanent Index Number 14-05-105-028 in said Block 3 of Brockhausen and Fischer's First Addition to Edgewater; thence continuing west along the south line of said parcel of property bearing Permanent Index Number 14-05-105-028 in Block 3 of Brockhausen and Fischer's First Addition to Edgewater to the east line of North Wayne Avenue; thence continuing west along a straight line to the southeast corner of Lot 1 in Block 4 of aforesaid Brockhausen and Fischer's First Addition to Edgewater; thence continuing west along the south line of said Lot 1 in Block 4 of aforesaid Brockhausen and Fischer's First Addition to Edgewater and along the westerly extension thereof and along the south line of Lot 36 in said Block 4 of Brockhausen and Fischer's First Addition to Edgewater to the west line thereof, said west line of Lot 36 being also the east line of North

Glenwood Avenue; thence south along said east line of North Glenwood Avenue to the easterly extension of the south line of Lot 2 in Farson's Subdivision of the north 26 rods and 11 feet of the northwest quarter of the northwest quarter of Section 5, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 2 in Farson's Subdivision to the west line of said Lot 2, said west line of Lot 2 being also the east line of the alley west of North Glenwood Avenue; thence south along said east line of the alley west of North Glenwood Avenue to the easterly extension of the north line of Lot 97 in said Farson's Subdivision, said north line of Lot 97 being also the south line of the alley south of West Devon Avenue; thence west along said easterly extension and the south line of the alley south of West Devon Avenue to the southerly extension of the westerly line of Lot 49 in said Faxson's Subdivision, said westerly line of Lot 49 being also the easterly line of the alley east of North Clark Street; thence northerly along said southerly extension and easterly line of the alley east of North Clark Street and along the northerly extension thereof to the north line of West Devon Avenue; thence west along said north line of West Devon Avenue to the easterly line of North Clark Street; thence northerly along said easterly line of North Clark Street to the south line of West Schreiber Avenue; thence east along said south line of West Schreiber Avenue to the east line of Lot 5 in the subdivision of Lot 2 (except the east 308.79 feet thereof) of S. F. Hollensen's First Addition to Rogers Park, a subdivision of Lots 9 to 11, both inclusive, of Seyroours Estate Subdivision of the west half of the southwest quarter of Section 42, Township 41 North, Range 14 East of the Third Principal Meridian together with the north 66 feet of the south 359.6 feet of that part east of North Clark Street of Section 3 1, Township 41 North, Range 14 East of the Third Principal Meridian, said east line of Lot 5 being also the west line of the alley east of North Ashland Avenue; thence south along said east line of Lot 5 in the subdivision of Lot 2 (except the east 308.79 feet thereof) of S. F. Hollensen's First Addition to Rogers Park to the north line of Lot 3 in said S. F. Hollensen's First Addition to Rogers Park, said north line of Lot 3 being also the south line of the alley north of West Devon Avenue; thence east along said south line of the alley north of West Devon Avenue and along the easterly extension thereof to the west line of the east 1.5 feet of Lot 10 in said S. F. Hollensen's First Addition to Rogers Park, said west line of the east 1.5 feet of Lot 10 being also the east line of North Bosworth Avenue; thence north along said east line of North Bosworth Avenue to the north line of West Schreiber Avenue; thence east along said north line of West Schreiber Avenue to the northerly extension of the west line of Lot 23 in aforesaid S. F. Hollensen's First Addition to Rogers Park, said west line of Lot 23 being also the east line of the alley west of North Greenview Avenue; thence south along said northerly extension and the east line of the alley west of North Greenview Avenue to the south line of Lot 20 in said

S. F. Hollensen's First Addition to Rogers Park; thence east along said south line of Lot 20 in S. F. Hollensen's First Addition to Rogers Park to the west line of North Greenview Avenue; thence north along said west line of North Greenview Avenue to the westerly extension of the south line of Lot 43 in Sickenger's Subdivision of Lots 7 and 8 in aforesaid Seymours Estate Subdivision, said south line of Lot 43 being also the north line of the alley north of West Devon Avenue; thence east along said westerly extension and the north line of the alley north of West Devon Avenue and along the easterly extension thereof to the east line of North Newgard Avenue; thence south along said east line of North Newgard Avenue to the south line of Lot 15 in said Sickenger's Subdivision; thence east along said south line of Lot 15 in Sickenger's Subdivision and along the easterly extension thereof and along the south line of Lot 10 in said Sickenger's Subdivision to the west line of North Glenwood Avenue; thence north along said west line of North Glenwood Avenue to the westerly extension of the south line of Lot 15 in Block 5 of A. T. Galt's Edgewater Golf Subdivision of the south 30 acres of the east half of the southwest quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian, said south line of Lot 15 being also the north line of the alley north of West Devon Avenue; thence east along said westerly extension and the north line of the alley north of West Devon Avenue to the west line of North Magnolia Avenue; thence north along said west line of North Magnolia Avenue to the westerly extension of the south line of the north 18.5 feet of Lot 15 in Block 2 of aforesaid A. T. Galt's Edgewater Golf Subdivision, said south line of the north 18.5 feet of Lot 15 being also the north line of the alley north of West Devon Avenue; thence east along said westerly extension and the south line of the north 18.5 feet of Lot 15 in Block 2 of A. T. Galt's Edgewater Golf Subdivision to the east line of said Lot 15, said east line of Lot 15 being also the west line of the alley west of North Sheridan Road; thence north along said west line of the alley west of North Sheridan Road to the south line of West Arthur Avenue; thence west along said south line of West Arthur Avenue to the southerly extension of the east line of the west 33 feet of Lot 8 in Block 1 of aforesaid A. T. Galt's Edgewater Golf Subdivision; thence north along said southerly extension and the east line of the west 33 feet of Lot 8 in Block 1 of A. T. Galt's Edgewater Golf Subdivision to the north line of said Lot 8, said north line of Lot 8 being also the south line of the alley north of West Arthur Avenue; thence west along said south line of the alley north of West Arthur Avenue to the southerly extension of the west line of Lot 8 in Block 10 of North Shore Boulevard Subdivision, a subdivision of the east half of the southwest quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 8 in Block 10 of North Shore Boulevard Subdivision and along the northerly extension thereof to the north line of West Loyola Avenue; thence

east along said north line of West Loyola Avenue to the east line of the west half of Lot 7 in Block 8 of said North Shore Boulevard Subdivision; thence north along said east line of the west half of Lot 7 in Block 8 of North Shore Boulevard Subdivision and along the northerly extension thereof to the south line of Lot 3 in said Block 8 of North Shore Boulevard Subdivision, said south line of Lot 3 being also the north line of the alley north of West Loyola Avenue; thence east along said south line of Lot 3 in Block 8 of North Shore Boulevard Subdivision to the east line thereof, said east line of Lot 3 being also the west line of a public alley; thence north along said east line of Lot 3 in Block 8 of North Shore Boulevard Subdivision to the northeasterly line of said Lot 3, said northeasterly line of Lot 3 being also the southwesterly line of a public alley lying northeasterly of and adjoining Lots 1, 2 and 3 in said Block 8 of North Shore Boulevard Subdivision; thence northwesterly along said southwesterly line of a public alley lying northeasterly of and adjoining Lots 1, 2 and 3 in Block 8 of North Shore Boulevard Subdivision to the south line of West Albion Avenue; thence west along said south line of West Albion Avenue to the southerly extension of the east line of Lot 15 in Block 6 of aforesaid North Shore Boulevard Subdivision, said east line of Lot 15 being also the west line of North Lakewood Avenue; thence north along said southerly extension and the east line of Lot 15 in Block 6 of the North Shore Boulevard Subdivision to the northeasterly line thereof, said northeasterly line of Lot 15 being also the southwesterly line of a public alley; thence northwesterly along said northeasterly line of Lot 15 and along the northeasterly line of Lot 14 in said Block 6 of aforesaid North Shore Boulevard Subdivision and along the northwesterly extension thereof to the south line of Lot 2 in said Block 6 of North Shore Boulevard Subdivision, said south line of Lot 2 being also the north line of the alley north of West Albion Avenue; thence east along said south line of Lot 2 in Block 6 of North Shore Boulevard Subdivision to the westerly line of the joint railroad right-of-way bearing Permanent Index Number 11-32-500-004; thence northerly along said westerly line of the joint railroad right-of-way bearing Permanent Index Number 11-32-500-004 to the west line of the east half of the southwest quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian, said west line of the east half of the southwest quarter of Section 32 being also the centerline of North Glenwood Avenue; thence north along said west line of the east half of the southwest quarter of Section 32 to the north line of said east half of the southwest quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian, said north line of the east half of the southwest quarter of Section 32 being also the centerline of West Pratt Boulevard; thence east along said north line of the east half of the southwest quarter of Section 32 to the easterly line of the joint railroad right-of-way bearing Permanent Index Number 11-32-500-004; thence

southerly along said easterly line of the joint railroad right-of-way bearing Permanent Index Number 1 1-32-500-004 to the west line of North Lakewood Avenue; thence east along a straight line to the southwest corner of Lot 15 in Block 5 of aforesaid North Shore Boulevard Subdivision; thence southeasterly along the southwesterly line of said Lot 15 in Block 5 of North Shore Boulevard Subdivision and along the southwesterly line of Lot 14 in said Block 5 of North Shore Boulevard Subdivision to the south line of said Lot 14, said south line of Lot 14 being also the north line of West Albion Avenue; thence east along said north line of West Albion Avenue to the east line of Lot 7 in Block 5 of aforesaid North Shore Boulevard Subdivision, said east line of Lot 7 being also the west line of the alley west of North Sheridan Road; thence north along said west line of the alley west of North Sheridan Road to the north line of Lot 7 in Block 1 of aforesaid North Shore Boulevard Subdivision, said north line of Lot 7 being also the south line of the alley south of West Pratt Boulevard; thence west along said south line of the alley south of West Pratt Boulevard to the southerly extension of the west line of Lot 2 1 in said Block 1 of North Shore Boulevard Subdivision; thence north along said southerly extension and the west line of said Lot 2 1 in Block 1 of North Shore Boulevard Subdivision and along the northerly extension thereof to the north line of West Pratt Boulevard; thence east along said north line of West Pratt Boulevard to the east line of Lot 8 in Block 6 in L. E. Ingall's Subdivision of Blocks 5 and 6 of the Circuit Court Partition of the east half of the northwest quarter and the northeast fractional quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian, said east line of Lot 8 being also the west line of the alley west of North Sheridan Road; thence north along said west line of the alley west of North Sheridan Road to the westerly extension of the southerly line of Lot 1 in said Block 6 of L. E. Ingall's Subdivision; thence easterly along said westerly extension and the southerly line of Lot 1 in Block 6 of L. E. Ingall's Subdivision and along the easterly extension thereof to the easterly line of North Sheridan Road; thence southerly along said easterly line of North Sheridan Road to the south line of Lot 3 in William Devine's Subdivision of Lot 2 in Block 7 of aforesaid Circuit Court Partition of the east half of the northwest quarter and the northeast fractional quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 3 in William Devine's Subdivision and along the easterly extension thereof to the westerly line of Lot 4 in said William Devine's Subdivision, said westerly line of Lot 4 being also the easterly line of the alley east of North Sheridan Road; thence southerly along said easterly line of the alley east of North Sheridan Road and along the southerly extension thereof to the south line of West Pratt Boulevard; thence west along said south line of West Pratt Boulevard to the west line of Lot 17 in Block 1 of Herdien, Hofflund and Carson's North Shore Addition to Chicago, a subdivision of Lots 1, 2 and the north 66 feet of Lot 3 of Cape Hayes Subdivision of the southeast fractional

quarter of Section 32, Township 41 North, Range 14 East of the Third Principal Meridian, said west line of Lot 17 being also the east line of the alley east of North Sheridan Road; thence south along said east line of the alley east of North Sheridan Road to the northerly most south line of Lot 4 in Oliver M. Carson's Lake Shore Subdivision of Lot 3 (except the north 66 feet thereof) in aforesaid Cape Hayes Subdivision; thence east along said northerly most south line of Lot 4 in Oliver M. Carson's Lake Shore Subdivision to the easterly most west line of said Lot 4, said easterly most west line of Lot 4 being also the east line of the alley east of North Sheridan Road; thence south along said east line of the alley east of North Sheridan Road to the south line of West Albion Avenue; thence west along said south line of West Albion Avenue to the east line of North Sheridan Road; thence south along said east line of North Sheridan Road to the northeasterly right-of-way line of the Chicago Milwaukee St. Paul and Pacific Railroad; thence southerly along said northeasterly right-of-way line of the Chicago Milwaukee St. Paul and Pacific Railroad to the north line of Lot 9 in aforesaid Cape Hayes Subdivision; thence east along said north line of Lot 9 in aforesaid Cape Hayes Subdivision and along the north line of Linn's North Edgewater Addition to Chicago, a subdivision of Lot 9 (except the west 765.93 feet thereof) of aforesaid Cape Hayes Subdivision to the east line of Lot 10 in said Linn's North Edgewater Addition to Chicago, said east line of Lot 10 being also the westerly shoreline of Lake Michigan; thence southerly along said westerly shoreline of Lake Michigan to the north line of Lot 1 in Block 1 of Cochran's Second Addition to Edgewater in the east fractional half of Section 5, Township 40 North, Range 14 East of the Third Principal Meridian, said north line of Lot 1 being also the south line of West Sheridan Road; thence west along said south line of West Sheridan Road to the east line of North Sheridan Road; thence south along said east line of North Sheridan Road to the easterly extension of the south line of Lot 6 in Block 2 of said Cochran's Second Addition to Edgewater; thence west along said easterly extension and the south line of Lot 6 in Block 2 of Cochran's Second Addition to Edgewater and along the westerly extension thereof to the east line of Lots 18 and 19 in said Block 2 of Cochran's Second Addition to Edgewater, said east line of Lots 18 and 19 being also the west line of the alley east of North Kenmore Avenue; thence north along said west line of the alley east of North Kenmore Avenue to the south line of West Sheridan Road; thence west along said south line of West Sheridan Road to the west line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence south along said west line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad to the easterly extension of the north line of Lot 22 in Block 4 of Cochran's Second Addition to Edgewater in the east half of fractional Section 5, Township 40 North, Range 14 East of the Third Principal Meridian, said north line of Lot 22 being the south line of the alley south of West Sheridan

Road; thence west along said easterly extension and the north line of Lot 22 in Block 4 of Cochran's Second Addition to Edgewater to the east line of Lot 23 in said Block 4 of Cochran's Second Addition to Edgewater, said east line of Lot 23 being also the west line of the alley east of North Broadway; thence north along said west line of the alley east of North Broadway to the north line of Lot 24 in said Block 4 of Cochran's Second Addition to Edgewater; thence west along said north line of Lot 24 in Block 4 of Cochran's Second Addition to Edgewater to the west line of said Lot 24, said west line of Lot 24 being also the east line of North Broadway; thence south along said east line of North Broadway to the easterly extension of the south line of Lot 12 in Block 1 of Brockhausen and Fischer's First Addition to Edgewater, a subdivision in the east half of the northwest quarter of Section 5, Township 40 North, Range 14 East of the Third Principal Meridian, said south line of Lot 12 being also the north line of West Rosemont Avenue; thence west along said easterly extension of the south line of Lot 12 in Block 1 of Brockhausen and Fischer's First Addition to Edgewater to the point of beginning at the west line of North Broadway, all in the City of Chicago, Cook County, Illinois.

EXHIBIT B

Description of Project

[Not attached for the purposes of recording.]

EXHIBIT C

Legal Description of Property*

LOTS 1, 2, 3 AND THE NORTH 8 1/3 FEET OF LOT 4 IN R.B. FARSON'S SUBDIVISION OF THE NORTH 26 RODS AND 11 FEET OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF THE NORTH 26 RODS AND 11 FEET OF THE NORTHEAST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE CENTER LINE OF CLARK STREET, IN COOK COUNTY, ILLINOIS.

EXHIBIT D

Construction Requirements

[Not attached for the purposes of recording.]

EXHIBIT E-1

Project Budget

The following table identifies the sources and uses of funds:

Sources		
Equity		\$397,135
Debt (Banco Popular)		<u>\$1,671,800</u>
Total Sources		\$2,068,935
Uses		
Land Acquisition		\$1,450,000
Hard Costs		
Rehabilitation		\$326,376
Equipment		90,000
	Total Hard Costs	\$416,376
Soft Costs		
Architect/Engineering's Fee		\$7,500
Financing Costs		\$180,000
Legal Fees		\$15,059
	Total Soft Costs	<u>\$202,559</u>
Total Uses		\$2,068,935

*Gross building area is 4,000 square feet

EXHIBIT E-2

MBE/WBE Project Budget

Hard Costs of Construction	\$326,376
24%MBE=\$78,330	
4% WBE=\$ 13,055	

EXHIBIT F

Permitted Liens

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: NONE.

EXHIBIT G

Approved Prior Expenditures

[Not attached for the purposes of recording.]

EXHIBIT H

Requisition Form

[Not attached for the purposes of recording.]

EXHIBIT I

TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Land Acquisition	\$1,250,000
Rehabilitation	<u>326,376</u>
TOTAL	\$1,576,376*

* The maximum amount of City Funds provided to the Developer shall not exceed \$517,234.

EXHIBIT J

Form of Acknowledgement Agreement

[Not attached for the purposes of recording.]

EXHIBIT J

Form of Acknowledgement Agreement

This document prepared by and after recording return to:
, Esq.

Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

ACKNOWLEDGEMENT AGREEMENT

This Acknowledgement Agreement ("Agreement") is made and entered into as of the 15th day of May, 2008 between the City of Chicago by and through its Department of Planning and Development (the "City"), Banco Popular North America, a [national banking association] (the "Lender").

W I T N E S S E T H:

WHEREAS the Developer intends to undertake the redevelopment project described in Exhibit B hereto (the AProject@) with respect to certain property owned or leased by the Developer located within the Redevelopment Area and commonly known as 1401-1405 W. Devon Ave. and legally described on Exhibit C (the "Property"). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out in accordance with this Agreement and the City of Chicago Devon/Sheridan Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan");

WHEREAS, Banco Popular North America ("Lender") and UG2, LLC (the "Borrower"), have entered into a certain Loan Agreement dated as of April 10, 2007 pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$1,868,940 (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i)



other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated June 21, 2007, and recorded June 26, 2007, as document number 0717740053 made by the Borrower to the Lender; (ii) Assignment of Leases and Rents dated June 21, 2007, and recorded June 26, 2007, as document number 0717740055 made by the Borrower to the Lender; (iii) Mortgage dated June 21, 2007, and recorded June 26, 2007, as document number 0717740057 made by the Borrower to the Lender, and (iv) Assignment of Leases and Rents dated June 21, 2007, and recorded June 26, 2007, as document number 0717740059 made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, pursuant to the terms of the Loan Agreement, the Loan includes a U. S. Small Business Administration Authorization for Debenture Guaranty 504 Program Loan (the "SBA Loan") which SBA Loan is evidenced by a Security Agreement dated _____, 2007 (the "SBA Security Agreement"), and Note (the "SBA Note") dated _____, 2007, each executed by the Borrower in favor of the U. S. Small Business Administration ("SBA"). The SBA, pursuant to the Loan Agreement, is authorized to pay to Lender an amount equal to the SBA Note and shall thereafter be included in the security of Lender pursuant to the Loan Documents;

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.05 and 8.14 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property;



NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Acknowledgement. The Lender acknowledges that the recording of the Redevelopment Agreement shall encumber the Property and create the City Encumbrances, however, the Redevelopment Agreement and City Encumbrances shall be and remain subject and subordinate to the Loan Documents. Nothing herein shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.



EXHIBIT K

Opinion of Developer's Counsel

[Not attached for the purposes of recording.]

EXHIBIT L

Insurance Requirements

[Not attached for the purposes of recording.]