

U.S. Equities Realty

December 13, 2010

VIA FACSIMILE AND U.S. MAIL

City of Chicago
Department of Community Development
121 North LaSalle Street
Chicago, IL 60602

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street
Chicago, IL 60602

RE: Stony Island Plaza (BPD #485)
95th and Stony Island
Developer Note Payments

Dear Acting Commissioner:

We are requesting that the City make the bond payments per the Developer Notes of the Redevelopment Agreement due December 1, 2010 for the Stony Island Project. The total amount due is \$839,000. Stony Island Plaza received its Certificate of Completion in July 2010 (see Attachment #1).

Property Summary

Stony Island Plaza is located at the southeast corner of one of Chicago's busiest intersections, 95th Street and Stony Island Avenue. Each day, approximately 44,000 autos pass by the property along Stony Island Avenue and approximately 27,700 autos pass by the center on 95th Street. Stony Island Plaza is a very unique retail center. The center's design includes vast parkways with suburban type lawns, landscaping and parking areas. The plaza is located in a densely populated urban community consisting of approximately 240,000 people in 86,000 households within a 3-mile radius. This property has little direct competition due to the limited opportunity to develop land in the area surrounding the center. Stony Island Plaza is a source of pride for the community and serves as a "town center".

In January, 2010, Stony Island Plaza totaled 170,440 square feet. In February, 2010, a Burger King opened at the vacant parcel of the property. This increased the size of the property by 6,500 square feet resulting in a total of 176,940 square feet at the center. The square footage as currently built at Stony Island Plaza exceeds the square foot minimum of 171,000 square feet as set forward in the December 2004 amendment to the 95th and Stony Island Redevelopment Agreement.

Section 8.06 of the 1998 95th and Stony Island Redevelopment Agreement puts forward the Job Creation and Retention and Covenant to Remain in the City. Section 8.06 describes the required tenant use and mix

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Buenos Aires

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deemed appropriate for the Plaza. Our management and leasing team has continued to lease the Plaza to vibrant and successful companies that comply with the Redevelopment Agreement.

The largest tenant at the center is the national retailer Jewel/Osco which occupies 70,000 square feet. The center also includes a free-standing 4,000 square foot Jewel Express Service Center. The Jewel/Osco and Jewel Express combined represent 42% of the Plaza. Other well-known national and regional credit tenants include A.J. Wright, KFC, Shoe Carnival, Dots, Ashley Stewart, Footlocker and H&R Block. Due to the variety of tenants at the plaza, many shopping necessities are offered to the community. This availability of quality retailers escalates Stony Island Plaza beyond its competitors and other retail centers. A tenant plan is attached as Attachment #2.

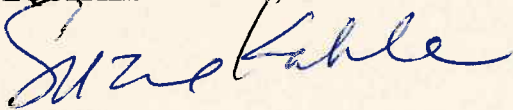
The 2011 Budget Plan consists of the renewal of one (1) existing tenant. The Footlocker lease extension will be negotiated in 2011 but commencement is anticipated in February, 2012. Upon execution of the renewal, the property is expected to remain 98.60% leased and occupied.

Stony Island Plaza has continued to maintain the required number of full and part time jobs as identified in Section 8.06 of the 1998 Redevelopment Agreement. Currently the tenants of the Plaza employ 434 full and part time employees. This exceeds the requirement of 324 permanent jobs as well as the additional best effort request to maintain an additional 75 jobs. This property is a great asset to the community in terms of generating local jobs. The summary calculation is attached as Attachment #3.

We thus respectfully request the City to continue to fund the payments due on the Developer Notes.

Thank you for your consideration. Please feel free to call me anytime at 312-456-7017 if you have any questions or concerns.

Sincerely,
U.S. EQUITIES REALTY, LLC



Suzanne Kahle
Vice President

cc: Alderman Sandi Jackson
Beth McGuire, DPD
Bob Wislow, USER
Michael Brimm, USER



City of Chicago
Richard M. Daley, Mayor

Department of Community
Development

Chris Raguso
Acting Commissioner

City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
(312) 744-2578 (TTY)

<http://www.cityofchicago.org>

July 15, 2010

Ms. Suzanne Kahle
U.S. Equities Realty, Inc.
20 N. Michigan Ave., Suite 200
Chicago, Illinois 60602

RE: Acknowledgement of Pledge of " Incremental Taxes
Reimbursement" in connection with that 95th & Stony Island Avenue
Redevelopment Agreement of November 23, 1998, as amended

Dear Ms. Kahle:

On November 23, 1998 (and recorded as document #08066707 with the Cook County Recorder), as later amended on December 17, 2004 (and recorded as document #0436227138) and amended again on October 13, 2008 (and recorded as document #0831134106), a certain 95th and Stony Island Avenue Redevelopment Agreement (as amended, the " Agreement") was entered into by and between the City of Chicago (" City"), by and through its Department of Planning and Development, which has since been succeeded by the Department of Community Development (" DCD"), and 95th & Stony I, L.L.C., an Illinois limited liability company, 95th & Stony II, L.L.C., an Illinois limited liability company, Stony Island, LLC, a Delaware limited liability company, Stony Island Land, LLC, a Delaware limited liability company, and Heartland Midwest, LLC, a Delaware limited liability company (all five entities, collectively, the "Developer"). All capitalized terms set forth in this letter are defined in the Agreement unless otherwise defined herein.

Pursuant to Section 4.03(b) of the Agreement, the City pledged to provide, under certain conditions, an Incremental Taxes Reimbursement, which is defined in the Agreement as: " Incremental Taxes in an amount up to \$1,900,000 to reimburse the Developer for costs of TIF-Funded Improvements incurred by the Developer."

The Developer has provided the City evidence that it has undertaken and paid for at least \$1,900,000 in Site Work and Environmental Remediation costs at or in connection with the Project. The City acknowledges that such costs are not accounted for in connection with either of the issued City Notes (which notes were issued in 1998).



The Developer has acknowledged that the City did provide it a \$12,000,000 CD Float Loan to provide financing for the Project. However, the Developer has provided the City evidence that the availability and use of the CD Float Loan did not reduce the Total Project Costs below \$28,963,203, which is the minimum dollar figure required to be spent by the Developer to avoid a reduction or setoff of the Incremental Taxes Reimbursement amount. The City and the Developer agree that the actual Total Project Costs incurred on the Project by the Developer is approximately \$33,275,000.

Simultaneous with the issuance of this letter, the City is issuing a Certificate of Completion to the Developer.

In light of the developments listed above, I hereby acknowledge that, as of today, the City has pledged the full value (\$1,900,000) of the Incremental Taxes Reimbursement amount to the Developer, subject to all other relevant conditions of the Agreement.

With your counter-signatures below, please acknowledge your receipt of and agreement with this letter. Return one fully-countersigned original of this letter to Beth McGuire of my staff, or contact her at (312) 744-4772 if you have questions about this letter.

Yours very truly,

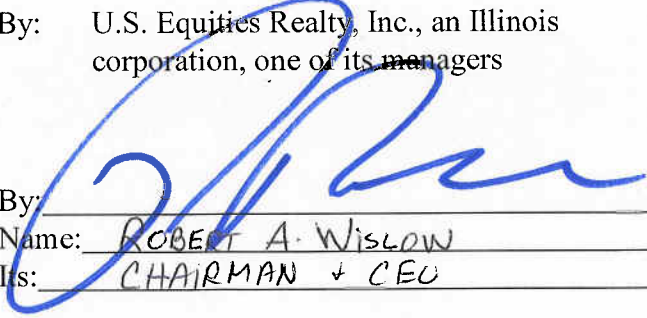

Christine Raguso, Acting Commissioner

The undersigned hereby acknowledge their receipt of this letter.

Developer

95th & STONY I, L.L.C., an Illinois limited liability company

By: U.S. Equities Realty, Inc., an Illinois corporation, one of its managers

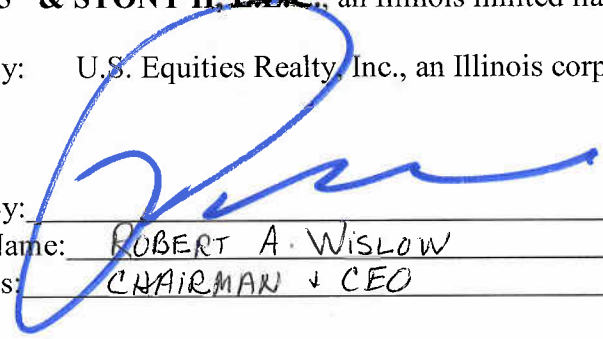
By: 
Name: ROBERT A. WISLOW
Its: CHAIRMAN + CEO

By: WPI-Stony Island Plaza, LLC, an Illinois limited liability company, one of its managers

By: _____
Name: _____
Its: _____

95th & STONY II, L.L.C., an Illinois limited liability company

By: U.S. Equities Realty, Inc., an Illinois corporation, its sole manager

By: 
Name: ROBERT A. WISLOW
Its: CHAIRMAN + CEO

STONY ISLAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: _____
Name: _____
Its: _____

STONY ISLAND LAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: WPI-Stony Island Plaza, LLC, an Illinois limited liability company, one of its managers

By: _____
Name: Andrew Sun
Its: manager

95th & STONY II, L.L.C., an Illinois limited liability company

By: U.S. Equities Realty, Inc., an Illinois corporation, its sole manager

By: _____
Name: _____
Its: _____

STONY ISLAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: _____
Name: _____
Its: _____

STONY ISLAND LAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: WPI-Stony Island Plaza, LLC, an Illinois limited liability company, one of its managers

By: _____
Name: _____
Its: _____

95th & STONY II, L.L.C., an Illinois limited liability company

By: U.S. Equities Realty, Inc., an Illinois corporation, its sole manager

By: _____
Name: _____
Its: _____

STONY ISLAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: David Straka
Name: David A. Straka
Its: Senior Asset Manager

STONY ISLAND LAND, LLC, a Delaware limited liability company

By: Principal Real Estate Investors, LLC, a Delaware limited liability company, its authorized signatory

By: David Straka
Name: David A. Straka
Its: Senior Asset Manager

HEARTLAND MIDWEST, LLC, a Delaware limited liability company

By:  _____

Name: Joel Aaseby _____

Its: Chief Financial Officer _____

[leave blank for Recorder's Office use]

CERTIFICATE OF COMPLETION

95th & Stony Island Avenue Redevelopment Agreement
of November 23, 1998, as amended

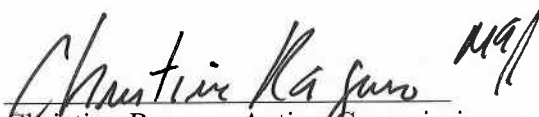
PURSUANT TO Section 7.01 of that certain 95th and Stony Island Avenue Redevelopment Agreement entered into on November 23, 1998 (and recorded as document #08066707 with the Cook County Recorder), as later amended on December 17, 2004 (and recorded as document #0436227138) and amended again on October 13, 2008 (and recorded as document #0831134106) (as amended, the " Agreement"), the City hereby certifies as follows:

1. Completion of the Project. The Developer has fulfilled its obligation to complete the Project (as defined in the Agreement) located on the property legally described on Exhibit A hereto, in accordance with the terms of the Agreement.
2. Other provisions of Agreement; no waiver. Except with respect to the terms of the Agreement specifically related to the Developer's obligation to complete the Project, which the City hereby certifies has been satisfied: (a) all executory terms and conditions of the Agreement and all representations and covenants contained therein remain in full force and effect; and (b) the issuance of this certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

[signature page follows]

IN WITNESS WHEREOF, the City has caused this Certificate of Completion to be executed as of July 15, 2010.

CITY OF CHICAGO, by and through its Department of Community Development


Christine Raguso, Acting 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 _____, personally known to me to be the Acting Commissioner of the Department of Community 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 he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/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 ____ day of _____, 2010.

Notary Public

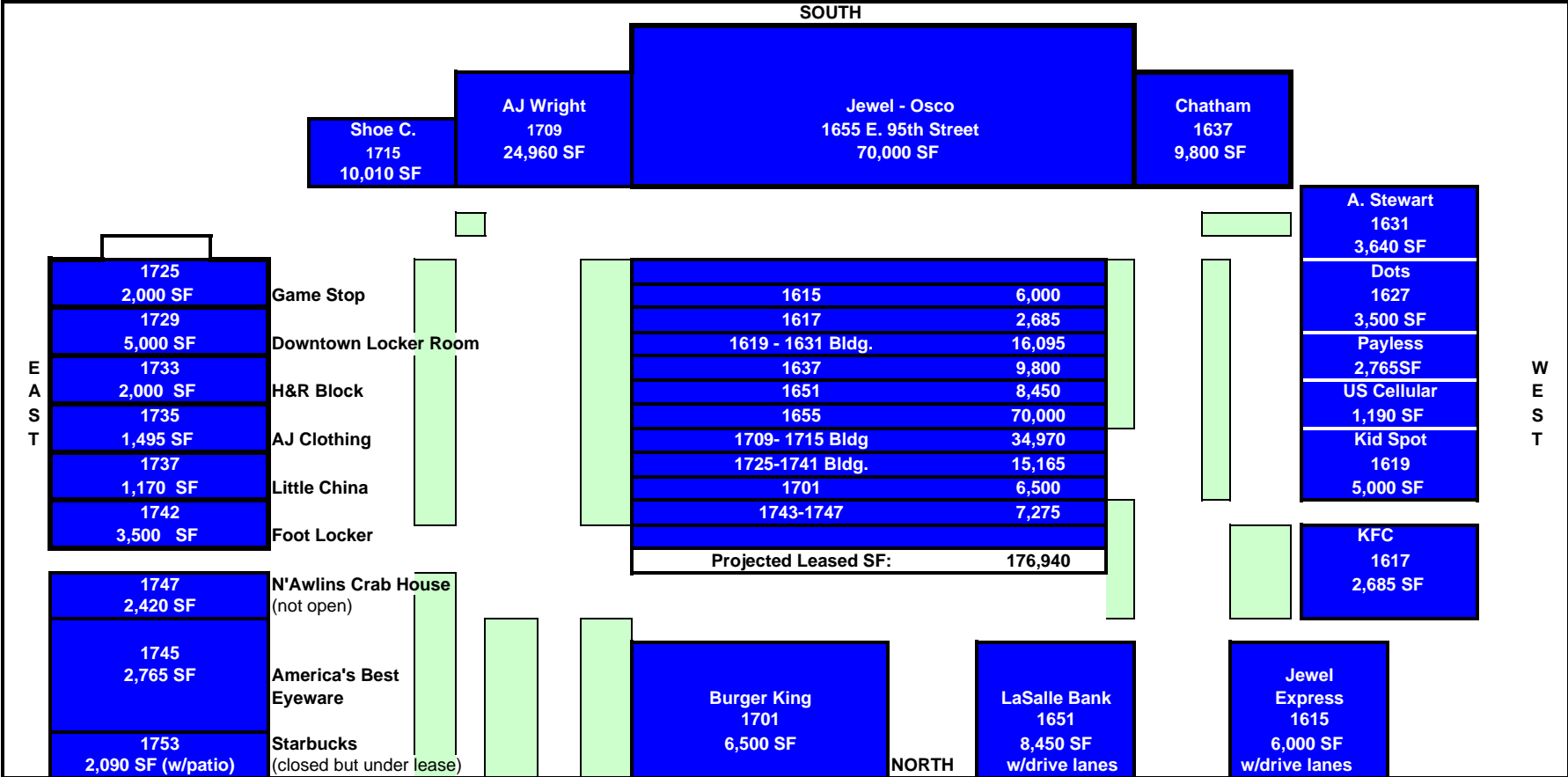
My Commission Expires _____



Exhibit A

PROPERTY

[see attached]



95th Stony Island Plaza
Job Creation

Company Name	CO. Address	2008		2009		2010	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
A. J. Wright	1709 E 95th St	1	20	7	33	10	42
AJ Clothing	1735 E. 95th St					2	0
America's Best Eyeware	1745 E 95th St	10	0	10	0	7	2
ASAP Maintenance Services	vendor	2	2	2	2	0	3
Ashley Stewart	1631 E 95th St	3	4	2	5		
Burger King	1701 E 95th St	0	0	28	57	7	16
Chatham Beauty Supply	1637 E 95th St	4	6	5	6	6	4
Chatham Nail Salon	1637 E 95th St	5	1	14	0	13	1
Collection Clothing	1735 E 95th St	3	0	3	0		
DOTS	1627 E 95th St	4	5	3	3	3	5
Downtown Locker Room	1729 E 95th St	0	0	2	8	3	6
Foot Locker	1742 E 95th St	4	1	1	5	2	5
Game Stop	1733 E 95th St	4	4	1	8	3	6
H&R Block	1733 E 95th St	7	0	2	5	0	20
Int't Detectives	11446 S. Halsted	3	3	0	0		
Jewel/Osco	1655 E. 95Th St	50	275	27	293	46	141
KFC	1617 E 95th St	6	15	5	14	6	6
LaSalle Bank/ Bank of America	1651 E 95th St.	17	1	17	1	11	4
Levy Security		0	0	9	2	6	1
Little China Rest.	1737 E 95th St	0	0	2	0	2	0
Payless Store	1625 E 95th St	2	2	2	0	3	3
Rainbow	1619 E 95th St	4	5	4	5	5	4
Shoe Carnival	1715 E 95th St	5	1	6	5	7	4
Starbucks	1753 E 95th St.	4	6	4	6		
U. S. Cellular	1623 E 95th St	5	0	10	0	11	6
US Equities - property management		6	0	6	0	2	0
	0					0	2
Total		149	351	172	458	155	279
		500		630		434	