
2014 Annual Report

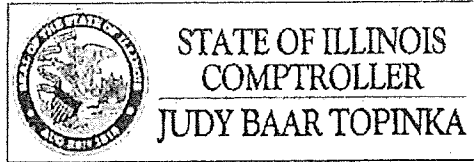
Foster/California Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

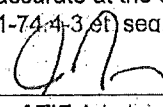
JUNE 30, 2015

FY 2014
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: 2014
 County: Cook Fiscal Year End: 12 /31/2014
 Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name:	<u>Andrew J.</u>	Last Name:	<u>Mooney</u>
Address:	<u>City Hall, 121 N. LaSalle</u>	Title:	<u>Administrator</u>
Telephone:	<u>(312) 744 0025</u>	City:	<u>Chicago, IL</u> Zip: <u>60602</u>
Mobile	<u>n/a</u>	E-mail	<u>TIFReports@cityofchicago.org</u>
Mobile Provider	<u>n/a</u>	Best way to contact	<input checked="" type="checkbox"/> <u>X</u> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

 Written signature of TIF Administrator _____ Date June 30, 2015

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2014
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2014**
 Fiscal Year End: 12 / 31 / **2014**

79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
105th/Vincennes	10/3/2001	12/31/2025
107th Halsted	4/2/2014	12/31/2038
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/21/2008	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2014**
 Fiscal Year End: 12 / 31 / **2014**

Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	7/10/1996	7/10/2019
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster California	4/2/2014	12/31/2038
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2014
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014

Name of Municipality: Chicago

Reporting Fiscal Year: **2014**

County: Cook

Fiscal Year End: 12 / 31 / **2014**

Unit Code: 016/620/30

North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park Conservation Area	3/11/1998	12/31/2014
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2014**

Name of Redevelopment Project Area: Foster/California Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Residential/Commercial/Public Facilities
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A		X
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L	X	
A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

Fund Balance at Beginning of Reporting Period

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

Cumulative Total Revenues/Cash Receipts

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

Distribution of Surplus

Total Expenditures/Disbursements

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

FUND BALANCE, END OF REPORTING PERIOD*

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Total Amount Designated (Carried forward from Section 3.3)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
		\$ -
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

\$ -

8. Financing costs. Subsection (q) (6) and (o)(8)

\$ -

9. Approved capital costs. Subsection (q)(7) and (o)(9)

\$ -

10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

\$ -

11. Relocation costs. Subsection (q)(8) and (o)(10)

\$ -

12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)

\$ -

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ -

Section 3.2 B

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

 X There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ -

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ -

SURPLUS*/(DEFICIT) \$ -

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*. 1

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 18,397,806
Public Investment Undertaken		\$ 920,000	\$ 4,600,000
Ratio of Private/Public Investment	0		4

Project 1:			
Swedish Covenant Hospital		Project is Ongoing ***	
Private Investment Undertaken (See Instructions)	\$ -		\$ 18,397,806
Public Investment Undertaken		\$ 920,000	\$ 4,600,000
Ratio of Private/Public Investment	0		4

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

FY 2014

TIF NAME: Foster/California Redevelopment Project Area

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area. If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

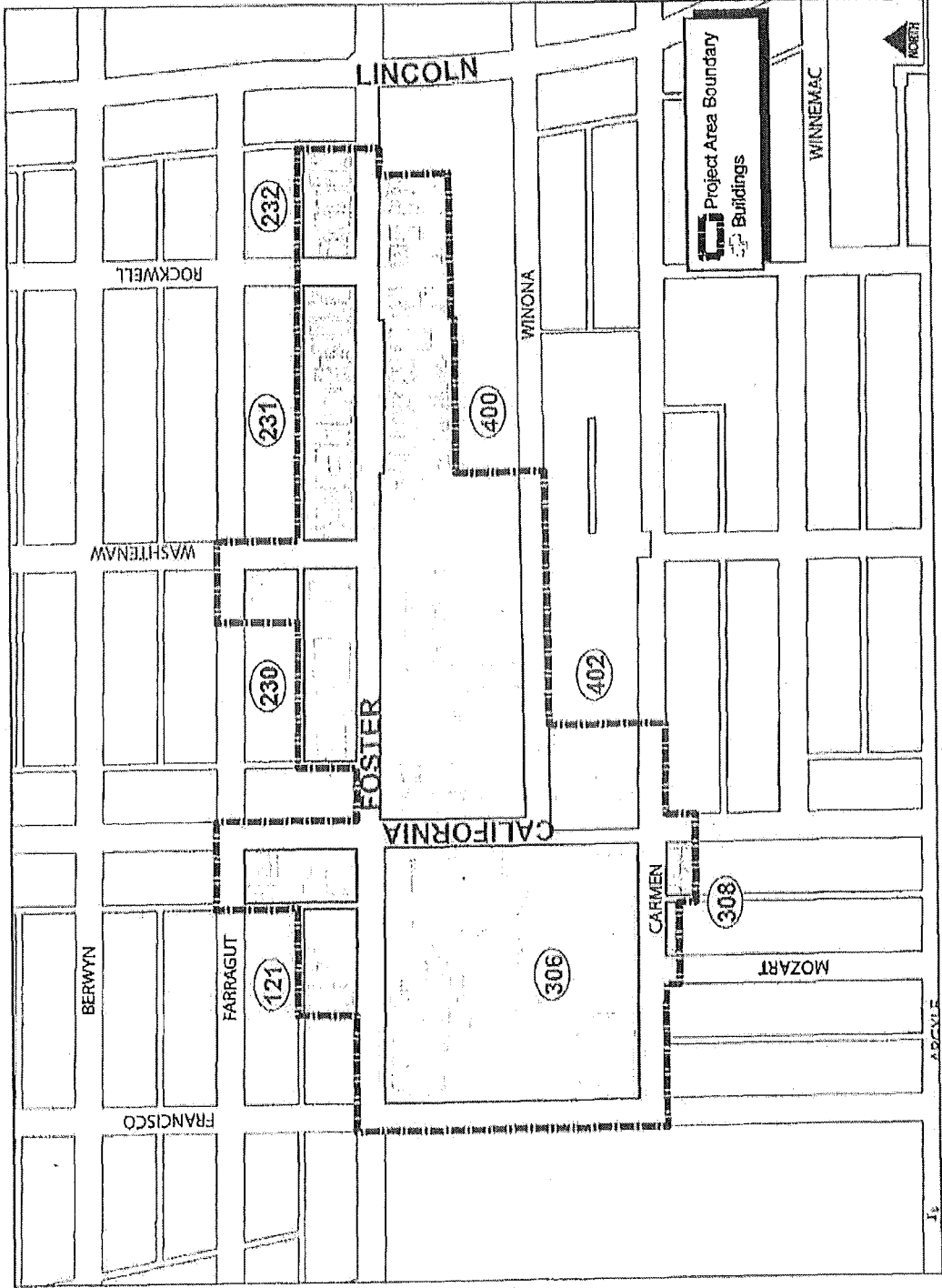
SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

Foster/California Drive Redevelopment Project Area 2014 Annual Report



**FOSTER AND CALIFORNIA
TAX INCREMENT FINANCING
REDEVELOPMENT AREA PROJECT AND PLAN**

City of Chicago, Illinois

November 26, 2013

City of Chicago
Rahm Emanuel, Mayor

Department of Housing and Economic Development
Andrew J. Mooney, Commissioner

Prepared by:
Johnson Research Group Inc.
343 South Dearborn Street, Suite 404
Chicago, Illinois 60604

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EXHIBIT I: 2012 EAV by PIN
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I. INTRODUCTION

This document is to serve as the redevelopment plan (the "**Redevelopment Plan**") for an area located on the North Side of the City of Chicago (the "**City**") approximately 9 miles north of the City's central business district (the "**Loop**"). The area is generally bounded by Francisco Street on the west, Carmen Avenue on the South; the north-south alley west of Lincoln Avenue on the east and Farragut Avenue on the north. The area includes the majority of the Swedish Covenant Hospital campus at Foster and California as well as the Foster Avenue frontage from California Avenue to nearly Lincoln Avenue. This area is referred to in this document as the Foster and California Tax Increment Financing Redevelopment Project Area (the "**Project Area**"). For a map depicting the location of the Project Area with the City of Chicago, see [Redevelopment Plan Figure 1. Community Context Map.](#)

In conjunction with the City's strategy to encourage managed growth and stimulate private investment within the Project Area, Johnson Research Group, Inc. ("**JRG**" or the "**Consultant**") was engaged to study whether the Project Area of approximately 24.35 acres qualifies as a "conservation area," a "blighted area," or a combination of both blighted areas and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "**Act**"). The Project Area, described in more detail below as well as in the accompanying Foster and California Tax Increment Financing Eligibility Report (the "**Eligibility Report**"), has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without public intervention and leadership by the City.

The Redevelopment Plan summarizes the analyses and findings of the Consultant's work, which, unless otherwise noted, is the responsibility of JRG. The City is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the Act. The Consultant has prepared this Redevelopment Plan and the related Eligibility Report with the understanding that the City would rely: 1) on the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Redevelopment Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

A. Foster and California Tax Increment Financing Redevelopment Project Area

The Foster and California Project Area is situated on the western edge of the Lincoln Square Community Area. Approximately 24.35 acres in size, the Project Area includes 197 tax parcels within 8 full and partial tax blocks. There are 51 buildings in the Project Area.

The Project Area has two fairly distinct areas made up of residential uses on the east and institutional uses to the west. The residential area is characterized by predominantly multi-family properties interspersed with a few isolated single family buildings and a church building. East of Washtenaw, the area is exclusively institutional in use including a public elementary school and semipublic uses including the sprawling Swedish Covenant hospital and related buildings as well as a few church properties.

Currently, one building, the Chicago Public School Budlong Elementary school located at 2701 W. Foster Avenue is identified as an "orange" building, which is a contributing property to the National Register of Historic Places and the Chicago Historic Resource Survey.

The Project Area as a whole is physically characterized by densely built, aging and obsolete residential, public and semipublic property on improved parcels. The Swedish Covenant Hospital Campus buildings encompassed within the Project Area range from 16 to 106 years in age with various additions and renovations over the years. The residential area developed around the hospital campus limiting hospital expansion and development opportunities and causing site constraints. The hospital campus facilities are characterized by aging, overcrowded and obsolete buildings. Multiple and disparate buildings - including individual buildings constructed at different times and linked together later - cause inefficiency and a strain on building systems.

For a map depicting the Project Area boundaries, see Redevelopment Plan Figure 2. Project Area Boundary. A legal description of the Project Area is included in Section II, Legal Description and Project Area Boundary.

Lincoln Square Community Area

The Project Area lies within the western edge of the Lincoln Square Community Area. The Lincoln Square Community Area extends from the Chicago River on the west to Ravenswood Avenue on the east, and from Montrose Avenue on the south to Bryn Mawr and Peterson Avenues on the north.

Historical Context

Lincoln Square is made up of five separate early settlements; Bowmanville, Summerdale, Winnemac, Budlong Woods, and a portion of Ravenswood. Non-indigenous settlement of the Lincoln Square community began in the 1850s when farmers moved into the area. The Lincoln Square area was already well known at that time for the Budlong Pickle Factory, which supplied most of Chicago's pickled produce. Rosehill Cemetery was established in 1859 and its expansion took up almost one-quarter of the land available in Lincoln Square for residential development.

Much of the southern portion of Lincoln Square remained farmland and prairie throughout the 1850's and 1860's until in 1868 the Ravenswood Land Company was formed. Starting with 40 acres from the Sulzer family estate, the company purchased 194 acres on either side of the Chicago and North Western railroad tracks. In 1877, a sewage and water distribution facility was established in the Ravenswood section. Although only moderate population growth in the area was recorded between 1875 and 1895, development exploded once Lincoln Square was annexed into the City of Chicago in 1895. The area remained primarily German, and Swedish with some Poles and Luxembourgers in the northwestern portion. In the 1890's the horse-cars transportation system along Lawrence, Montrose, Lincoln, and Western Avenues was replaced with electric street cars. Areas west of Lincoln Square began to develop following the opening of the Albany Park branch of the elevated line in 1907 and the community's population jumped from 12,126 in 1910 to 27,900 in 1920. Large apartment buildings, brick bungalows and two and three flat building were constructed west of Lincoln Avenue. High end single family homes were constructed along the Chicago River.

Concurrent with the explosion of residential development in the area, industrial and business sectors of the community also experienced growth. The establishment of a Chicago and North West railroad station near the intersection of Wilson and Ravenswood spurred the replacement of the original mixture of fine homes, offices and shops along Ravenswood Avenue with stores and eventually small manufacturing and assembly uses.

The area population remained fairly stable between 1930 and 1960 with Germans, Russians, Swedes, and Poles the dominant ethnic groups. The area reached its historical peak of 50,000 during this time. During the 1970's, a large population influx of Greek immigrants moved in to the area, displaced from their neighborhoods west of the Loop by the expansion of the University of Illinois at Chicago campus. During this time, one-fifth of the population in the area (mostly of German descent) exited the area to be replaced with Hispanic, Asian (mostly Korean), and people of other racial and ethnic origin. Today Lincoln Square is among the most diverse Chicago community areas.

With the increase of foreign born renter population in the area, concerns regarding the housing stock quality have arisen. Gentrification progressed in the area augmented by the establishment of the Lincoln Avenue pedestrian mall, and the \$1.65 million project to upgrade and beautify the Ravenswood Industrial Corridor.

Geographic Context

Western Avenue (one block east of the Project Area) currently serves as the "main street" of the Lincoln Square community. Lincoln Avenue roughly divides the eastern and western sections. Foster, Lawrence, and Montrose Avenues are major commercial streets that link the east and west sides of Lincoln Square. These commercial corridors provide a complete range of retail, commercial, service and institutional uses to area residents and visitors. It is critical that the Project Area be redeveloped in a way that successfully blends with adjacent properties and presents an aesthetically strong entrance to the community.

The Project Area is conveniently located less than 9 miles from the Loop with close proximity to the Union Pacific (formerly Chicago North West) commuter rail line, the Chicago Transit Authority elevated line, and multiple bus routes.

The Project Area includes a number of other physical assets:

- Convenient access to and from Lake Shore Drive via Foster Avenue;
- Excellent public transportation options include Chicago Transit Authority ("CTA") Brown Line Elevated stations, express bus routes to/from downtown Chicago, as well multiple bus routes running east/west along Foster, Montrose, and Lawrence Avenues and north/south routes running along Western and Lincoln Avenues. All of these bus routes have stops within one or two blocks of the Project Area. The nearest CTA elevated line stop is the Brown Line stop at Western Avenue which is about one mile east of the Project Area and accessible via bus routes 11 (Lincoln Avenue), 49 (Western Avenue) or 49B (North Western) and 92 (Foster Avenue).
- The Project Area is well served by the Union Pacific commuter rail line with the Ravenswood Station located just south of the intersection of Lawrence and Ravenswood Avenue just under two miles from the Project Area.
- The North Shore Channel is just 2 blocks to the west of the Project Area. Along the Channel are located Legion Park, River Park, and East and West River Parks, developed with amenities such as walkways, running paths, playgrounds and picnic facilities, tennis and volleyball courts, baseball diamonds, basketball courts, soccer fields, outdoor pool and water playgrounds, gymnasium, and a boat launch.
- Other nearby assets include North Park Village Nature Preserve, Northeastern Illinois University and North Park University.

Despite these assets and other nearby strengths, the Project Area as a whole has not been subject to growth and development through investment exclusively by the private sector. The Project Area is characterized by the presence of aging and obsolescent buildings and site conditions, overcrowding, inadequate utilities, and a general lack of community planning.

Evidence of this lack of growth and development is detailed in **Section VI** and summarized below.

- The presence of 5 eligibility factors: obsolescence, excessive land coverage and overcrowding of structures, inadequate utilities, lack of community planning, and declining EAV.
- The presence of two additional contributing factors that, while limited in extent or distribution, are evidence of deferred maintenance and lack of investment: structures below code and deterioration.
- The Project Area is predominated by obsolete buildings and facilities especially within the Swedish Covenant Hospital campus where separate buildings of various ages have been "linked" but present a haphazard pattern of development and detrimental delivery of services.
- The Project Area contains many large apartment buildings that have inadequate parking, and are located very close together. Many of the multi-unit or mixed use residential buildings cover most or all of the parcel(s) upon which they are situated and do not offer adequate front, rear and side yard setbacks.
- The EAV of the Project Area has declined in the last three years.
- Between September 2008 and October 2013, 17 building permits were issued in the Project Area. Of these 17 permits, all but one were issued to Swedish Covenant Hospital. The remaining permit was for electric wiring at a church building.

These declining physical and economic conditions threaten to impede growth and development through private investment. Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area would not reasonably be expected to be improved in a comprehensive manner.

B. Tax Increment Financing

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current Equalized Assessed Valuation ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, the City may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, the City may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the City; (c) the full faith and credit of the City; (d) a mortgage on part or all of the

redevelopment project; or (e) any other taxes or anticipated receipts that the City may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the City to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the City's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

C. The Redevelopment Plan for the Foster and California Tax Increment Financing Redevelopment Project Area

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped on a comprehensive and coordinated basis without the use of TIF.

JRG has prepared the Redevelopment Plan and the related Eligibility Report with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the Act and adoption of the Redevelopment Plan, and (ii) the fact that JRG has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that the conservation area factors are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area can become a stable environment that will attract new private investment. Public investment will set the stage for redevelopment by the private sector. Through

this Redevelopment Plan, the City will provide a basis for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "**Redevelopment Project**" to be undertaken to accomplish the City's above-stated goals. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and other redevelopment project activities authorized under the Act; and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private improvements and undertake other redevelopment project activities authorized under the Act on one or several parcels (items (i) and (ii) are collectively referred to as "**Redevelopment Projects**").

This Redevelopment Plan specifically describes the Project Area and summarizes the criteria that qualify the Project Area as a "**conservation area**" as defined in the Act.

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conservation area conditions which have limited development of the Project Area by the private sector on a comprehensive and area-wide basis.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These anticipated benefits include:

- Elimination of problem conditions in the Project Area;
- Increased opportunities for access to quality health care for underserved population living within and adjacent to the Project Area;
- Alleviate overcrowding and inefficiencies of the current structure to enhance better patient care and distribution of services; and
- Improvement of parking facilities to adequately serve the Project Area's uses.

II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in *Redevelopment Plan Figure 1. Project Area Boundary*, and are generally described below:

The area is generally bounded by Francisco Street on the west, Carmen Avenue on the south; the north-south alley west of Lincoln Avenue on the east and Farragut Avenue on the north. The area includes the majority of the Swedish Covenant Hospital campus at Foster and California as well as the Foster Avenue frontage from California Avenue to nearly Lincoln Avenue.

The legal description of the Project Area is provided as follows:

THAT PART OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF FOSTER AVENUE AND THE WEST RIGHT OF WAY LINE OF FRANCISCO AVENUE:

THENCE EAST ALONG SAID NORTH RIGHT OF WAY LINE OF FOSTER AVENUE TO THE SOUTHWEST CORNER OF LOT 608 IN WILLIAM H. BRITIGAN'S BUDLONG WOODS GOLF CLUB ADDITION #2, BEING A SUBDIVISION OF PART OF THE NW ¼ OF SECTION 12 AFORESAID;

THENCE NORTH ALONG THE WEST LINE OF LOT 608 AND ITS NORTHERLY EXTENSION TO THE NORTH LINE OF A PUBLIC ALLEY;

THENCE EAST ALONG THE NORTH LINE OF THE PUBLIC ALLEY TO THE SOUTHEAST CORNER OF LOT 588 IN WILLIAM H. BRITIGAN'S BUDLONG WOODS GOLF CLUB ADDITION #2;

THENCE NORTH ALONG THE EAST LINE OF LOT 588 AND ITS NORTHERLY EXTENSION TO THE NORTH RIGHT OF WAY LINE OF FARRAGUT AVENUE;

THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF FARRAGUT AVENUE TO THE EAST RIGHT OF WAY LINE OF CALIFORNIA AVENUE;

THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF CALIFORNIA AVENUE TO THE NORTH RIGHT OF WAY LINE OF FOSTER AVENUE;

THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF FOSTER AVENUE TO THE SOUTHEAST CORNER OF LOT 271 IN WILLIAM H. BRITIGAN'S BUDLONG WOODS GOLF CLUB ADDITION, BEING A SUBDIVISION IN THE NE ¼ OF SECTION 12 AFORESAID;

THENCE NORTH ALONG THE EAST LINE OF LOT 271 AND ITS NORTHERLY EXTENSION TO THE INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF A PUBLIC ALLEY BEING THE FIRST PUBLIC ALLEY LYING NORTH OF FOSTER AVENUE;

THENCE EAST ALONG THE NORTHERLY LINE OF THE PUBLIC ALLEY TO THE SOUTHEAST CORNER OF LOT 251 IN WILLIAM H. BRITIGAN'S BUDLONG WOODS GOLF CLUB ADDITION;

THENCE NORTH ALONG THE EAST LINE OF LOT 251 AND ITS NORTHERLY EXTENSION TO THE NORTH RIGHT OF WAY LINE OF FARRAGUT AVENUE;

THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF FARRAGUT AVENUE TO THE EAST RIGHT OF WAY LINE OF WASHTENAW AVENUE;

THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF WASHTENAW AVENUE TO THE SOUTHWEST CORNER OF LOT 246 IN WILLIAM H. BRITIGAN'S BUDLONG WOODS GOLF CLUB ADDITION, BEING THE NORTH LINE OF A PUBLIC ALLEY;

THENCE EAST ALONG THE NORTH LINE OF THE PUBLIC ALLEY TO THE WEST RIGHT OF WAY LINE OF ROCKWELL STREET;

THENCE CONTINUING EAST TO THE EAST LINE OF ROCKWELL STREET AND THE NORTH LINE OF A PUBLIC ALLEY BEING THE SOUTHWEST CORNER OF LOT 69 IN OLIVER L. SALINGER AND COMPANY'S LINCOLN AVENUE SUBDIVISION IN THE NE ¼ OF SECTION 12 AFORESAID;

THENCE EAST ALONG THE NORTH LINE OF THE PUBLIC ALLEY TO THE SOUTHEAST CORNER OF LOT 76 IN OLIVER L. SALINGER AND COMPANY'S LINCOLN AVENUE SUBDIVISION, BEING THE WESTERLY LINE OF A PUBLIC ALLEY;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF THE PUBLIC ALLEY TO THE NORTH RIGHT OF WAY LINE OF FOSTER AVENUE;

THENCE SOUTHERLY TO THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF FOSTER AVENUE AND THE EAST LINE OF LOT 14 IN ANTON CONRAD'S SUBDIVISION, BEING IN THE SE ¼ OF SECTION 12 AFORESAID;

THENCE SOUTHERLY ALONG THE EAST LINE OF LOT 14 TO THE SOUTHEAST CORNER OF SAID LOT 14;

THENCE WEST ALONG THE SOUTH LINE OF LOT 14 AND ITS WESTERLY EXTENSION TO THE SOUTHWEST CORNER OF LOT 1 IN ANTON CONRAD'S SUBDIVISION;

THENCE SOUTH TO THE NORTHEAST CORNER OF LOT 8 IN GEORGE KLIER'S RESUBDIVISION IN THE W ½ OF THE SE ¼ OF SECTION 12 AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF LOT 8 IN GEORGE KLIER'S RESUBDIVISION AND ITS WESTERLY EXTENSION TO THE NORTHWEST CORNER OF LOT 5 IN WIDMER'S SUBDIVISION, BEING IN THE SE ¼ OF SECTION 12 AFORESAID;

THENCE SOUTH ALONG THE WEST LINE OF LOT 5 AND ITS SOUTHERLY EXTENSION TO THE SOUTH RIGHT OF WAY LINE OF WINONA STREET;

THENCE WEST ALONG THE SOUTH RIGHT OF WAY LINE OF WINONA STREET TO THE NORTHWEST CORNER OF LOT 20 IN PART OF THE TOWN OF BOWMANVILLE, BEING A SUBDIVISION IN THE SE ¼ OF SECTION 12 AFORESAID;

THENCE SOUTH ALONG THE WEST LINE OF LOT 20 AND ITS SOUTHERLY EXTENSION TO THE SOUTH RIGHT OF WAY LINE OF CARMEN AVENUE;

THENCE WEST ALONG THE SOUTH RIGHT OF WAY LINE OF CARMEN AVENUE TO THE EAST RIGHT OF WAY LINE OF CALIFORNIA AVENUE;

THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF CALIFORNIA AVENUE TO THE INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 2 IN CHARLES F. HENRY'S RAVENSWOOD PARK SUBDIVISION, BEING IN THE SW ¼ OF SECTION 12 AFORESAID;

THENCE WEST ALONG THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 2 TO THE WEST LINE OF A PUBLIC ALLEY LYING WESTERLY OF SAID LOT 2;

THENCE NORTH ALONG THE WEST LINE OF THE PUBLIC ALLEY TO THE SOUTHEAST CORNER OF LOT 19 IN CHARLES F. HENRY'S RAVENSWOOD PARK SUBDIVISION;

THENCE WEST ALONG THE SOUTH LINE OF LOT 19 AND ITS WESTERLY EXTENSION TO THE WEST RIGHT OF WAY LINE OF MOZART STREET;

THENCE NORTH ALONG THE WEST RIGHT OF WAY LINE OF MOZART STREET TO THE SOUTH RIGHT OF WAY LINE OF CARMEN AVENUE;

THENCE WEST ALONG THE SOUTH RIGHT OF WAY LINE OF CARMEN AVENUE TO THE WEST RIGHT OF WAY LINE OF FRANCISCO AVENUE;

THENCE NORTH ALONG THE WEST RIGHT OF WAY LINE OF FRANCISCO AVENUE TO THE NORTH RIGHT OF WAY LINE OF FOSTER AVENUE, SAID POINT BEING THE POINT OF BEGINNING.

III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report that presents the definition, application and extent of the conservation area factors in the Project Area. The report, prepared by JRG is entitled "Foster and California Tax Increment Financing Eligibility Report," (the "Eligibility Report") and is attached as EXHIBIT II to this Redevelopment Plan.

A. Summary of Project Area Eligibility

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies under the applicable criteria as a conservation area within the requirements of the Act.

Project Area

The Project Area meets the required age condition for a conservation area which requires that 50% or more of the buildings must be 35 years of age or older. The Project Area is characterized by the presence of a combination of three or more of the factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City and if left unchecked, may allow the Project Area to become a blighted area. Specifically,

- Of the 51 buildings in the Project Area, 43, or 84%, are 35 years of age or older.
- Of the 13 factors set forth in the Act, five (5) factors are found to be present to a meaningful extent and reasonably distributed throughout the Project Area. These factors include: obsolescence; excessive land coverage/overcrowding; inadequate utilities; declining or lagging EAV and lack of community planning. Only three (3) factors are required for eligibility as a conservation area.

As a whole, the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

B. Surveys and Analyses Conducted

The conditions documented in the Project Area are based upon surveys and analyses conducted by JRG. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of all buildings and sites;
2. Interior survey of the condition and use of all buildings in the Project Area;
3. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
4. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
5. Comparison of current land use to current zoning ordinance and the current zoning map;
6. Analysis of original platting and current parcel size and layout;
7. Analysis of vacant buildings;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data;
10. Analysis of City of Chicago building permit data and building code violation data for the period from September 2008 through October 2013;

11. Analysis of storm, sanitary sewer lines and water supply lines within the Project Area via existing infrastructure maps provided by the City of Chicago's Department of Water Management;
12. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 2006 to 2012; and
13. Review of Cook County Treasurer records for collection years 2011, 2012 and 2013.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

Comprehensive and coordinated investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. **Section V** presents more specific objectives for development and design within the Project Area and the redevelopment activities that the City plans to undertake to achieve the goals and objectives presented in this section.

A. General Goals

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. An environment that will foster an improved quality of life and contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
2. Elimination of the factors that qualified the Project Area as a conservation area.
3. Encourage the cohesive development of a sustainable Swedish Covenant Hospital campus that complements and strengthens the neighboring residential and commercial properties.
4. Modernization, improvement and/or expansion of Swedish Covenant Hospital facilities to ensure the provision of high quality and comprehensive medical care to a diverse population, socially, economically, and culturally.
5. Expanding access to high quality healthcare through the removal of physical, economic and educational barriers.
6. Encourage the maintenance and improvement of Foster Avenue residential properties to ensure a stable and high quality neighborhood.
7. Ensure the safe and adequate public infrastructure to support the needs of the residents, institutions, organizations, and businesses within the Project Area.
8. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in the construction and permanent job opportunities associated with the redevelopment activities within the Project Area.

B. Redevelopment Objectives

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Promote the physical and functional enhancement of the Swedish Covenant Hospital campus as a center for employment as well as a critical medical care provider for the Chicago area and the local neighborhoods.
2. Facilitate and encourage the maintenance of sound residential properties, and encourage a mix of for sale and/or rental units at market rate and affordable prices.
3. Encourage visually attractive buildings, rights-of-way, and site development that reinforce an urban design framework.

4. Improve the availability, access to, and visual appearance of off-street parking to be consistent with modern, urban standards for institutional and residential development.
5. Upgrade public utilities, infrastructure and streets, including lighting, streetscape and beautification that reinforces area identity, enhances safety and encourages pedestrian activity, as appropriate.
6. Create new job opportunities for City residents utilizing the most current hiring programs and appropriate job training programs.
7. Provide opportunities for women-owned, minority-owned and local businesses and local residents to share in the redevelopment of the Project Area.
8. Encourage improvements in accessibility for people with disabilities.
9. Provide daycare assistance as necessary to support the employees of Swedish Covenant Hospital.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. The Redevelopment Project, as outlined in this section conforms to the plans and policies in place within the Project Area including: A Plan for Economic Growth and Jobs (February 2012), Planned Development Number 92, and the Chicago Zoning Ordinance.

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the land use plan; b) redevelopment goals and objectives; c) a description of redevelopment improvements and activities; d) estimated redevelopment project costs; e) a description of sources of funds to pay estimated redevelopment project costs; f) a description of obligations that may be issued; and g) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Land Use Plan

The proposed land uses within the Project Area reflect the objectives of the Redevelopment Plan, which are intended to support the retention and renovation of Swedish Covenant Hospital facilities and support the maintenance and improvement of the neighboring residential uses surrounding the hospital. The Land Use Plan is intended to direct TIF eligible expenditures and does not affect the zoning currently in place within the Project Area. The land uses proposed for the Project Area are described below and illustrated in Redevelopment Plan Figure 2. Land Use Plan.

Planned Development (Residential-Institutional)

The largest portion of the Project Area, currently occupied by the Swedish Covenant Hospital is designated as Institutional consistent with the underlying zoning designation as Planned Development No. 92. Uses include hospital and related uses, health and fitness facilities, medical and administrative offices, assisted living residences, day care facilities and parking and accessory uses. Improvements and redevelopment activity should be designed with good vehicular accessibility, parking and visibility.

Institutional developments should be compatible with adjacent residential uses and be consistent with the City Zoning Ordinance. Underutilized, functionally obsolete and/or severely deteriorated properties should be considered for high quality new development. New developments should be pedestrian oriented and accommodate a mix of uses that serve and support employees, businesses and residents within the larger community. Off-street parking should be maximized to complement the Project Area's uses.

All development should comply with the Redevelopment Plan objectives set forth in Section IV, the Chicago Zoning Ordinance and applicable Planned Development for the Project Area ("PD 92"), and all other relevant City ordinances and development guidelines.

B. Redevelopment Goals and Objectives

Listed below are the specific redevelopment goals and objectives which will assist the City in directing and coordinating public and private improvements and investment within the Project Area in order to achieve the general goals and objectives identified in Section IV of this Redevelopment Plan.

The Development and Design Objectives are intended to enhance and attract desirable uses such as new commercial development or new mixed use development; foster developments consistent and coordinated with other nearby uses; and revitalize the overall identity of the Project Area.

a) Land Use

- Strengthen the physical and functional improvement of the Swedish Covenant Hospital campus to ensure its continued presence as an important community hospital and major employment center.
- Encourage commercial or medical office development to provide the complementary goods and services to sustain a thriving and vibrant medical campus.
- Support the maintenance and improvement of sound residential uses on Foster Avenue.

b) Building and Site Development

- Maintain the City's traditional neighborhood design that is characterized by a grid pattern of streets, buildings oriented toward the street, and a human scale that is attractive and inviting to pedestrians.
- Encourage architectural styles that would be complementary with the surrounding neighborhood.
- Ensure that private development improvements to sites and streetscapes are consistent with public improvement goals and plans.
- Strive to attain a minimum of LEED Silver certification in all buildings consistent with PD 92 and the City's Green Building Agenda.

c) Transportation, Circulation and Infrastructure

- Promote improved signage to the hospital campus and other community assets.
- Upgrade and improve public utilities and infrastructure as required, including the street surface, curb and gutter conditions, street lighting, and traffic signalization.
- Ensure that provision of off-street parking meets or exceeds the minimum requirements of the City using high quality urban design standards that complement and contribute to the pedestrian environment.
- Minimize curb cuts for ingress and egress to buildings or parking lots to reduce disruption of pedestrian flow.

d) Urban Design, Landscaping, and Open Space

- Ensure that any open spaces are designed, landscaped and lit to achieve a high level of public safety and security.
- Provide new pedestrian-scale lighting where appropriate.
- Encourage streetscape features within the Project Area including parkway trees.
- Promote high quality and harmonious architectural, landscape and streetscape design that contributes to and complements the surrounding neighborhoods.
- Ensure that all landscaping and design materials comply with the City's Landscape Ordinance or applicable Planned Development and reflect the character of the neighborhood.

C. Redevelopment Improvements and Activities

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels for any other lawful purpose. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are required to set aside 20 percent of the units as affordable units. Per the City Affordable Housing Ordinance, for-sale housing must be affordable to households earning no more than 100 percent of the area median income, as defined by the **US Department of Housing and Urban Development ("HUD")**. Rental units must be affordable to households earning no more than 60 percent of the area median income.

1. Property Assembly

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

The City or a private developer may acquire any historic structure (whether a designated City or State landmark on, or eligible for nomination to, the National Register of Historic Places) and (a) demolish any non-historic feature of such structure; (b) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

2. Relocation

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Business or households legally occupying properties that may be acquired by the City subsequent to this Redevelopment Plan may be provided with relocation advisory and financial assistance as determined by the City.

3. Provision of Public Works or Improvements

The City may provide (or assist other public bodies in providing) public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

a) Streets and Utilities

A range of roadway, utility and related improvement projects, from repair and resurfacing to construction or reconstruction, may be undertaken.

b) Parking and Transportation

Improvements to existing or construction of new public infrastructure and transportation enhancements including bus shelters, directional signage and other transportation improvements, off-street parking sites and/or facilities and on-street parking improvements to ensure coordinated vehicular movement and access.

4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of public and private buildings that are basically sound and/or historically or architecturally significant. This includes properties individually designated as Chicago Landmarks, contributing properties to Chicago Landmark Districts, properties individually listed to the National Register of Historic Places, contributing properties to National Register of Historic Places-listed historic districts, and properties identified as either "orange" or "red" in the Chicago Historic Resources Survey. Currently, one building, the Budlong public elementary school at 2701 W Foster Avenue is identified as an orange building.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. Day Care Services

Incremental Property Taxes may be used to cover the cost of day care services and centers within the Project Area for children of low-income employees of Project Area businesses or institutions.

7. Taxing Districts Capital Costs

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

8. Interest Subsidies

Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) the cost limits set forth in subparagraphs (b) and (d) above shall be modified to permit payment of up to 75 percent of interest costs incurred by a developer for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

9. Affordable Housing

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

10. Analysis, Administration, Studies, Surveys, Legal, etc.

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

D. Redevelopment Project Costs

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

1. Eligible Redevelopment Project Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;

- b) The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
- e) Costs of the construction of public works or improvements including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Project Area and surrounding community;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) Relocation costs to the extent that a City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.C.2 above);
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing

districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

- l) Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the developer for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
 - 5. The cost limits set forth in paragraphs 2 and 4 above may be modified to permit payment of up to 75 percent of the interest cost incurred by a developer for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Instead of the eligible costs provided for in (e) 2,3 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
- p) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses

located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et. seq.* then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in **Table 1. Estimated Redevelopment Project Costs**. All estimates are based on 2013 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the City's discretion.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items in Table 1 without amendments to this Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

Table 1. Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$500,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$1,200,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation costs	\$5,000,000
Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	\$2,000,000
Relocation Costs	\$200,000
Job Training, Retraining, Welfare-to-Work	\$500,000
Day Care Services	\$400,000
Interest Subsidy	\$500,000
TOTAL REDEVELOPMENT COSTS^{[2] [3] [4]}	\$10,300,000

^[1] This category may also include paying for or reimbursing: (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

^[2] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.

^[3] The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

^[4] Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the Redevelopment Plan amendment procedures as provided under the Act.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs, which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to two TIF districts, Lincoln Avenue and Western Avenue North. The Project Area may, in the future, be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in **Table 1. Estimated Redevelopment Project Costs.**

F. Issuance of Obligations

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment

to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., December 31, 2038, assuming City Council approval of the Project Area and Redevelopment Plan in 2014). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

G. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The purpose of identifying the most recent EAV of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2012 EAV of all taxable parcels in the Project Area is approximately \$15,135,893. This total EAV amount by PIN is summarized in *Exhibit I. 2012 EAV by PIN*. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County.

2. Anticipated Equalized Assessed Valuation

By the tax year 2037 (collection year 2038) and following the substantial completion of the Redevelopment Project, the EAV of the Project Area is estimated at approximately \$26,350,000. The estimate is based on several assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 35,000 square feet of new commercial space will be constructed in the Project Area; 3) an estimated annual inflation rate in EAV of 2.5 percent through 2035, realized in triennial reassessment years only (6.12 percent per triennial reassessment period); and 5) the most recent state equalization factor of 2.8056 (2012 value) is used in all years to calculate estimated EAV.

VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in Section III of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous conservation area factors, and these factors are reasonably distributed throughout the Project Area. Conservation area factors within the Project Area represent major impediments to sound growth and development.

The decline of and the lack of private investment in the Project Area are evidenced by the following:

- Swedish Covenant Hospital is located in an area designated by The U.S. Dept. of Health and Human Services as a Healthcare Professional Shortage Area (HPSA) and service area designated as a Medically Underserved Area/Population (MUA/P)
- The presence of 5 eligibility factors: obsolescence, excessive land coverage and overcrowding of structures, inadequate utilities, lack of community planning, and declining EAV.
- The presence of contributing factors that, while limited in extent or distribution, are evidence of deferred maintenance and lack of investment: structures below code and deterioration.
- The Project Area is characterized by obsolete buildings and facilities especially within the Swedish Covenant Hospital campus where separate buildings of various ages have been "linked" but present a haphazard pattern and delivery of services.
- The Project Area contains many large apartment buildings that have inadequate parking, and are located very close together. Many of the multi-unit or mixed use residential buildings cover most or all of the parcel(s) upon which they are situated and do not offer adequate front, rear and side yard setbacks.
- The EAV of the Project Area has declined in the last three years.

In summary, the Project Area qualifies under the Act as a conservation area on the basis that 1) it meets the age threshold; and 2) exhibits the meaningful presence and reasonable distribution of 5 of the 13 criteria listed in the Act for a conservation area. Therefore, the Project Area is eligible under the TIF Act as a redevelopment project area, with the meaningful presence and reasonable distribution of conservation area conditions that are detrimental to sound growth and threaten the health, safety, and welfare of the public.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be anticipated to be developed on a comprehensive and coordinated basis without the adoption of this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation area factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in privately and publicly-funded new construction or rehabilitation of buildings on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF, through the encouragement of new development and redevelopment, can be expected to enhance the assessed value of existing properties in the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.

VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Project Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public. There are no Forest Preserve District facilities located within the boundaries of the Project Area.

Metropolitan Water Reclamation District of Greater Chicago. This district provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

Chicago Community College District 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. There are no public library facilities within the Project Area.

City of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc.

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade. Budlong Elementary School is located in the Project Area.

School facilities located outside the Project Area but located within approximately ¼ mile of the Project Area are indicated in **Redevelopment Plan Figure 3. Community Facilities.**

Chicago Park District and Chicago Park District Aquarium & Museum Bonds. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. There are no public parks in the Project Area, but there are several park facilities located within approximately ¼ mile of the Project Area as indicated in **Redevelopment Plan Figure 3. Community Facilities.**

Chicago School Finance Authority. The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

All public facilities located within the Project Area as well as those facilities located within ¼ mile of the Project Area are identified in **Redevelopment Plan Figure 3. Community Facilities.**

In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

A. Impact of the Redevelopment Project

The rehabilitation or replacement of underutilized properties with business, commercial, residential, and other development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City, the Board of Education and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts is described below.

Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement or rehabilitation of underutilized properties with new development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The replacement or rehabilitation of underutilized properties with significant new residential development is not anticipated as part of this Redevelopment Plan. As a result it is not likely that there will be an increase in the demand for services and programs provided by the Board of Education.

Chicago Park District. The replacement or rehabilitation of underutilized properties with institutional, commercial, and other development may increase the demand for services, programs and capital improvements provided by the Chicago Park District near to the Project Area.

City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with institutional or commercial development is not likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund.

B. Program to Address Increased Demand for Services or Capital Improvements

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- Metropolitan Water Reclamation District of Greater Chicago. It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately served by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.

- City of Chicago. It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- Board of Education. It is not likely that there will be an increase in the demand for services and programs provided by the Board of Education.

It is not anticipated that new development within the Project Area will exceed the current facilities provided by the Board of Education. The City and the Board of Education will monitor development in the Project Area to ensure that residents are adequately served and any increased demand for services and capital improvements provided by the Board of Education are addressed.

Other Taxing Districts. It is expected that any increase in demand for Chicago Park District, Chicago Library Fund, Cook County, Cook County Forest Preserve District, and Chicago Community College District 508's services and programs associated with the Project Area can be adequately served by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs (identified in Table 1. Estimated Redevelopment Project Costs). In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY

This Redevelopment Plan and the Redevelopment Project described herein include land uses that will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

X. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., December 31, 2038, assuming City Council approval of the Project Area and Redevelopment Plan in 2014).

XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of 24 percent Minority Business Enterprises and 4 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

XIII. HOUSING IMPACT

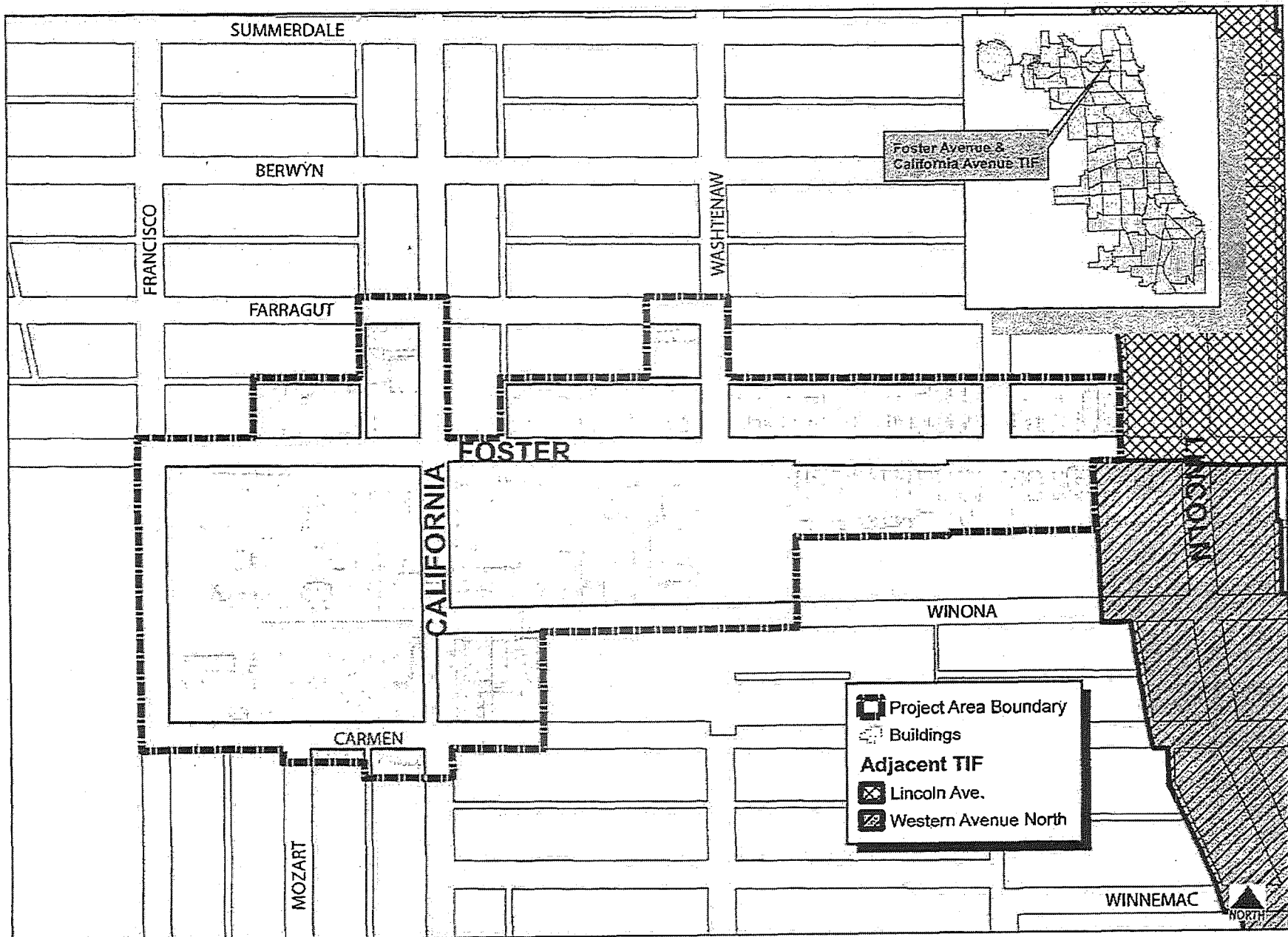
As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that displacement of residents from 10 or more inhabited residential units will not result from the Redevelopment Plan, the City must prepare a housing impact study and incorporate the study in the redevelopment project and plan.

The Project Area contains 197 residential units, 196 of which are currently occupied. JRG conducted a housing assessment to determine the potential for displacement of occupied residents. Presented below are the three steps used to assess the number and location of inhabited residential units that may be removed or impacted through implementation of this Redevelopment Plan.

- 1) **Properties identified for acquisition.** An acquisition plan has not been prepared as part of the Redevelopment Project Area. Therefore, there are zero occupied housing units that may be impacted due to acquisition.
- 2) **Dilapidation.** No dilapidated structures were identified in the Eligibility Study. Therefore, there are zero occupied housing units that may be impacted due to dilapidation.
- 3) **Changes in land use.** The Land Use Plan, presented in Section V of the Redevelopment Plan identifies the future land uses to be in effect upon adoption of the Redevelopment Plan. When compared to the existing land uses identified, one single family home may be subject to change as a result of proposed future land uses identified under the Redevelopment Plan. The occupied unit is currently owned by Swedish Covenant Hospital and intended for future hospital use but rented by an employee of the hospital in the interim. If public or private redevelopment occurs in accordance with land use changes proposed by the Redevelopment Plan, displacement of this single inhabited unit may result.

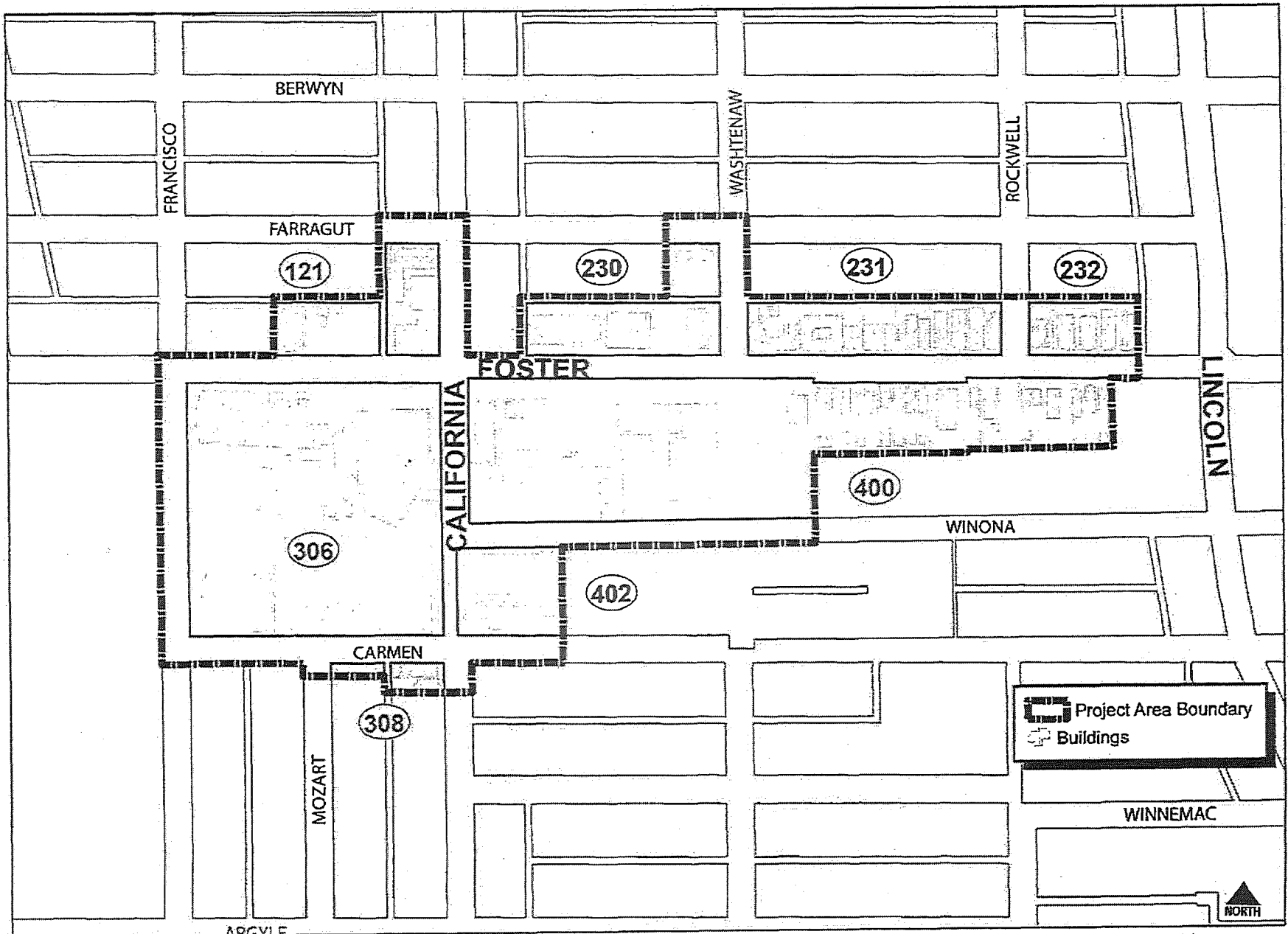
The City has no plans to displace any occupied residential units. However, based on the methodology used above, it is possible that a total of one inhabited unit that may be displaced over the 23-year life of the TIF at the discretion of Swedish Covenant Hospital.

Based on the assessment above, the City certifies that displacement of residents from 10 or more inhabited residential units will not occur as a result of the Redevelopment Plan. Therefore, a full housing impact study has not been undertaken as part of this Redevelopment Plan..



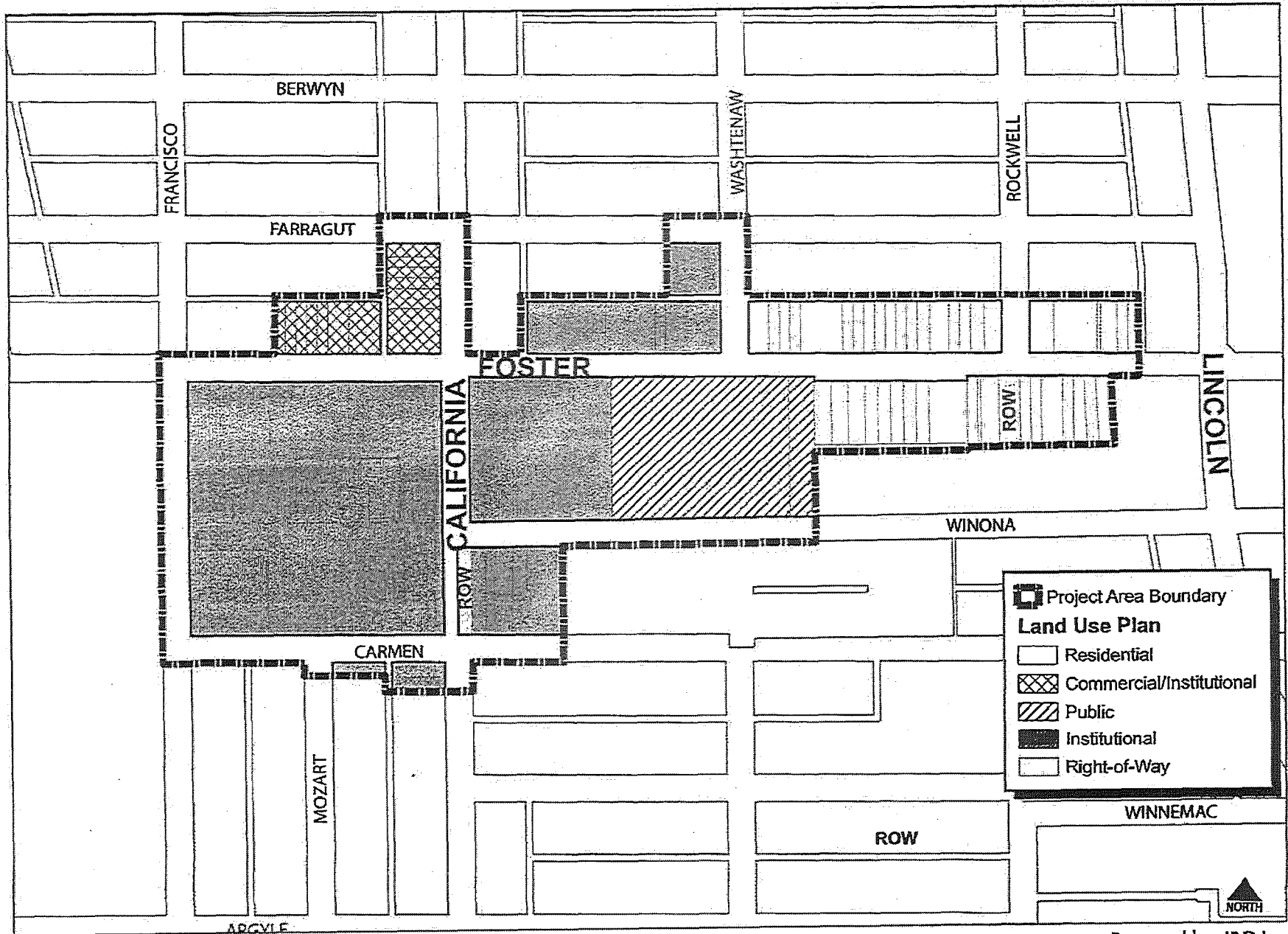
Redevelopment Plan Figure 1. Community Context Map
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



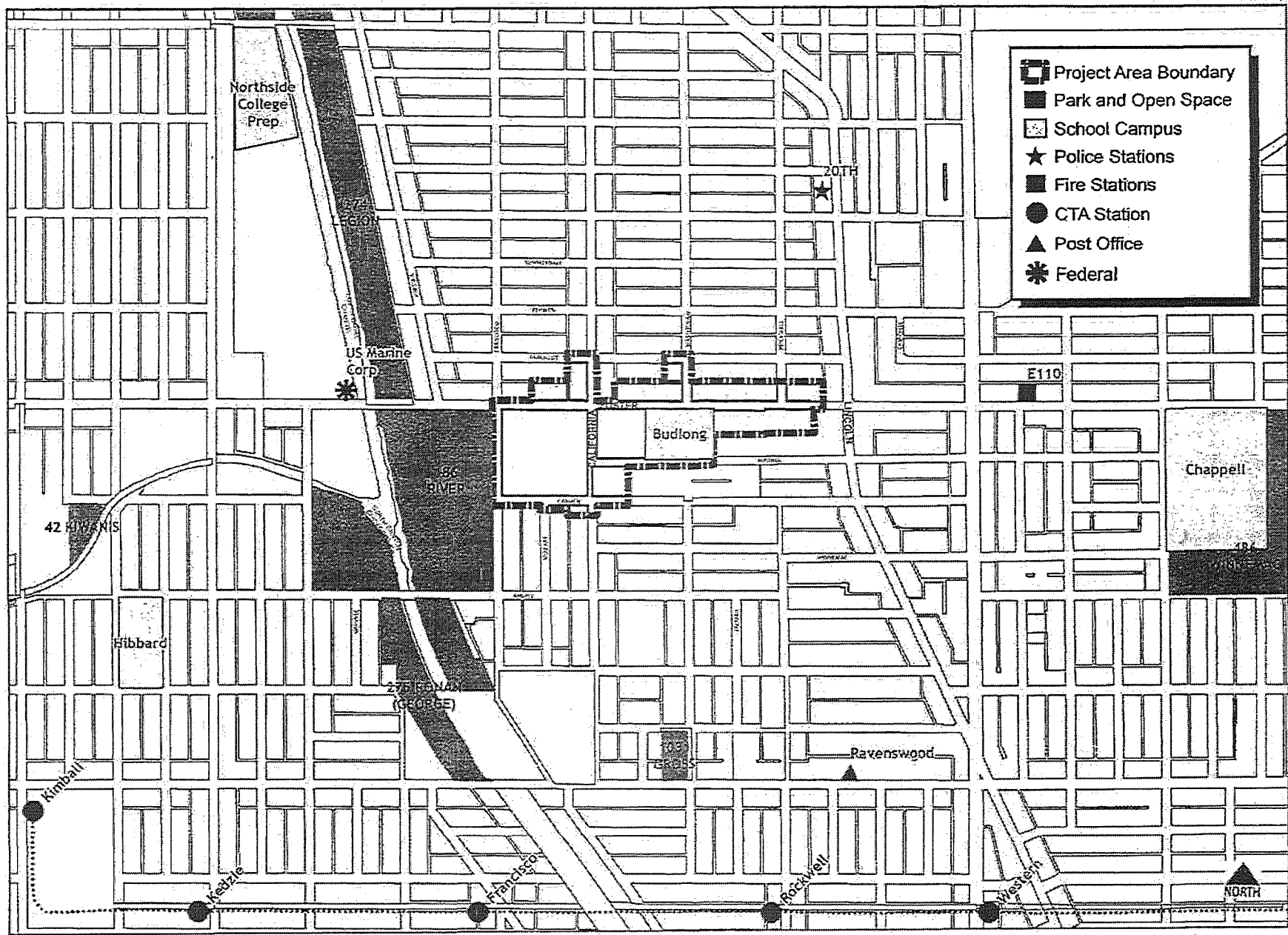
Redevelopment Plan Figure 2. Project Area Boundary
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



Redevelopment Plan Figure 3. Land Use Plan
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



Redevelopment Plan Figure 4. Community Facilities
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013

EXHIBIT I: 2012 EAV by PIN

EXHIBIT I. 2012 EAV by PIN

	PIN	2012 EAV		PIN	2012 EAV
1.	13-12-121-024-0000	13,397	51.	13-12-231-059-1008	17,041
2.	13-12-121-025-0000	13,394	52.	13-12-231-059-1009	17,041
3.	13-12-121-026-0000	13,394	53.	13-12-231-059-1010	21,665
4.	13-12-121-027-0000	13,380	54.	13-12-231-059-1011	25,671
5.	13-12-121-028-0000	13,394	55.	13-12-231-059-1012	24,858
6.	13-12-121-034-0000	-	56.	13-12-231-059-1013	17,858
7.	13-12-121-035-0000	-	57.	13-12-231-059-1014	24,858
8.	13-12-121-036-0000	-	58.	13-12-231-059-1015	15,408
9.	13-12-121-037-0000	-	59.	13-12-231-059-1016	2,374
10.	13-12-121-038-0000	-	60.	13-12-231-059-1017	2,374
11.	13-12-121-039-0000	-	61.	13-12-231-059-1018	2,374
12.	13-12-121-055-0000	541,399	62.	13-12-231-059-1019	2,374
13.	13-12-121-056-0000	-	63.	13-12-231-059-1020	2,374
14.	13-12-121-057-0000	-	64.	13-12-231-059-1021	1,899
15.	13-12-230-038-0000	-	65.	13-12-231-059-1022	2,374
16.	13-12-230-059-0000	-	66.	13-12-231-059-1023	2,374
17.	13-12-230-060-0000	-	67.	13-12-231-059-1024	2,374
18.	13-12-230-062-0000	3,246,640	68.	13-12-231-059-1025	2,374
19.	13-12-230-063-0000	-	69.	13-12-231-059-1026	2,374
20.	13-12-231-018-0000	167,954	70.	13-12-231-059-1027	2,374
21.	13-12-231-019-0000	68,594	71.	13-12-231-059-1028	36,260
22.	13-12-231-020-0000	61,737	72.	13-12-231-059-1029	23,225
23.	13-12-231-021-0000	61,737	73.	13-12-231-059-1030	12,041
24.	13-12-231-026-0000	-	74.	13-12-231-059-1031	19,886
25.	13-12-231-027-0000	-	75.	13-12-231-059-1032	13,537
26.	13-12-231-028-0000	-	76.	13-12-231-059-1033	13,537
27.	13-12-231-029-0000	-	77.	13-12-231-059-1034	17,041
28.	13-12-231-030-0000	-	78.	13-12-231-059-1035	17,858
29.	13-12-231-031-0000	-	79.	13-12-231-059-1036	24,858
30.	13-12-231-032-0000	-	80.	13-12-231-059-1037	18,671
31.	13-12-231-036-0000	45,083	81.	13-12-231-059-1038	20,537
32.	13-12-231-037-0000	45,083	82.	13-12-231-059-1039	17,041
33.	13-12-231-047-0000	134,635	83.	13-12-231-059-1040	17,854
34.	13-12-231-049-0000	105,395	84.	13-12-231-059-1041	24,858
35.	13-12-231-050-0000	98,471	85.	13-12-232-017-0000	68,370
36.	13-12-231-053-1001	28,234	86.	13-12-232-018-0000	68,922
37.	13-12-231-053-1002	46,399	87.	13-12-232-030-0000	4,208
38.	13-12-231-053-1003	41,436	88.	13-12-232-032-1001	49,864
39.	13-12-231-053-1004	48,436	89.	13-12-232-032-1002	1,302
40.	13-12-231-053-1005	1,120	90.	13-12-232-032-1003	32,890
41.	13-12-231-053-1006	41,436	91.	13-12-232-032-1004	1,302
42.	13-12-231-053-1007	2,155	92.	13-12-232-036-1001	19,359
43.	13-12-231-053-1008	2,155	93.	13-12-232-036-1002	26,005
44.	13-12-231-059-1001	9,099	94.	13-12-232-036-1003	26,005
45.	13-12-231-059-1002	11,579	95.	13-12-232-036-1004	33,005
46.	13-12-231-059-1003	16,225	96.	13-12-232-036-1005	33,005
47.	13-12-231-059-1004	16,225	97.	13-12-232-036-1006	34,110
48.	13-12-231-059-1005	16,679	98.	13-12-232-036-1007	34,110
49.	13-12-231-059-1006	17,858	99.	13-12-232-036-1008	34,110
50.	13-12-231-059-1007	17,041	100.	13-12-232-036-1009	34,110

EXHIBIT I. 2012 EAV by PIN

	PIN	2012 EAV		PIN	2012 EAV
101.	13-12-232-036-1010	34,110	151.	13-12-400-009-0000	107,328
102.	13-12-232-036-1011	26,005	152.	13-12-400-010-0000	128,611
103.	13-12-232-036-1012	33,005	153.	13-12-400-014-0000	98,510
104.	13-12-232-036-1013	33,005	154.	13-12-400-017-0000	-
105.	13-12-232-036-1014	14,042	155.	13-12-400-019-0000	113,916
106.	13-12-232-036-1015	33,005	156.	13-12-400-022-0000	-
107.	13-12-232-036-1016	27,110	157.	13-12-400-023-0000	-
108.	13-12-232-036-1017	34,110	158.	13-12-400-065-0000	104,376
109.	13-12-232-036-1018	34,110	159.	13-12-400-066-1001	44,289
110.	13-12-232-036-1019	34,110	160.	13-12-400-066-1002	32,912
111.	13-12-232-036-1020	27,110	161.	13-12-400-066-1003	44,289
112.	13-12-232-036-1021	3,311	162.	13-12-400-066-1004	51,292
113.	13-12-232-036-1022	3,311	163.	13-12-400-066-1005	44,292
114.	13-12-232-036-1023	3,311	164.	13-12-400-066-1006	51,292
115.	13-12-232-036-1024	3,311	165.	13-12-400-066-1007	51,292
116.	13-12-232-036-1025	3,311	166.	13-12-400-066-1008	51,292
117.	13-12-232-036-1026	3,311	167.	13-12-400-066-1009	39,292
118.	13-12-232-036-1027	3,311	168.	13-12-400-066-1010	44,292
119.	13-12-232-036-1028	3,311	169.	13-12-400-066-1011	44,292
120.	13-12-232-036-1029	3,311	170.	13-12-400-066-1012	51,292
121.	13-12-232-036-1030	3,311	171.	13-12-400-066-1013	51,292
122.	13-12-232-036-1031	2,110	172.	13-12-400-066-1014	44,289
123.	13-12-232-031-0000	-	173.	13-12-400-066-1015	32,912
124.	13-12-232-038-1001	41,209	174.	13-12-400-068-1001	36,097
125.	13-12-232-038-1002	41,209	175.	13-12-400-068-1002	36,097
126.	13-12-232-038-1003	41,209	176.	13-12-400-069-1001	55,556
127.	13-12-232-038-1004	34,209	177.	13-12-400-069-1002	40,622
128.	13-12-232-038-1005	29,506	178.	13-12-400-069-1003	21,128
129.	13-12-232-038-1006	26,900	179.	13-12-400-069-1004	47,622
130.	13-12-232-038-1007	26,900	180.	13-12-400-069-1005	40,622
131.	13-12-232-038-1008	26,900	181.	13-12-400-069-1006	29,027
132.	13-12-232-038-1009	26,900	182.	13-12-400-069-1007	31,094
133.	13-12-232-038-1010	26,900	183.	13-12-400-069-1008	40,622
134.	13-12-306-006-0000	-	184.	13-12-400-071-0000	78,332
135.	13-12-306-007-0000	-	185.	13-12-400-072-0000	81,260
136.	13-12-306-008-0000	1,557,290	186.	13-12-400-073-1001	19,563
137.	13-12-306-009-0000	936,896	187.	13-12-400-073-1002	9,954
138.	13-12-306-010-0000	243,748	188.	13-12-400-073-1003	9,954
139.	13-12-306-011-0000	-	189.	13-12-400-074-1001	69,899
140.	13-12-306-012-0000	3,050,408	190.	13-12-400-074-1002	69,899
141.	13-12-308-001-0000	105,224	191.	13-12-402-001-0000	-
142.	13-12-308-021-0000	23,298	192.	13-12-402-003-0000	-
143.	13-12-308-022-0000	92,560	193.	13-12-402-005-0000	-
144.	13-12-400-001-0000	-	194.	13-12-402-006-0000	-
145.	13-12-400-002-0000	-	195.	13-12-402-080-0000	-
146.	13-12-400-003-0000	-	196.	13-12-402-081-0000	-
147.	13-12-400-004-0000	157,408	197.	13-12-402-086-0000	-
148.	13-12-400-005-0000	122,815		Total EAV	15,135,893
149.	13-12-400-006-0000	122,218			
150.	13-12-400-007-0000	158,491			

Exhibit II. Foster and California Tax Increment Financing Eligibility Report

**FOSTER AND CALIFORNIA
TAX INCREMENT FINANCING
ELIGIBILITY REPORT**

City of Chicago, Illinois

November 29, 2013

City of Chicago
Rahm Emanuel, Mayor

Department of Housing and Economic Development
Andrew J. Mooney, Commissioner

Prepared by:
Johnson Research Group Inc.
343 South Dearborn Street, Suite 404
Chicago, Illinois 60604

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INTRODUCTION

The purpose of this report entitled, the *Foster and California Tax Increment Financing Eligibility Report*, (the "**Eligibility Report**") is to determine whether approximately 24.35 acres of land located on the north side of the City of Chicago (the "**City**") qualifies for designation as a redevelopment project area based on findings for a "**conservation area**," and/or a "**blighted area**" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "**Act**"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 et. seq. as amended.

The irregularly shaped area examined in this Eligibility Report is generally bounded by Francisco Street on the west, Carmen Avenue on the South; the north-south alley west of Lincoln Avenue on the east and Farragut Avenue on the north. This area is referred to in this document as the Foster and California Tax Increment Financing Redevelopment Project Area (the "**Project Area**"). The boundaries of the Project Area are shown on *Eligibility Report Figure 1, Project Area Boundary*.

The findings and conclusions presented in this report are based on surveys, documentation, and analyses conducted by Johnson Research Group ("**JRG**" or the "**Consultant**") for the Project Area. The Eligibility Report summarizes the analyses and findings of JRG's work, which is the responsibility of JRG. The City of Chicago is entitled to rely on the findings and conclusions of this Eligibility Report in designating the Project Area as a redevelopment project area under the Act. JRG has prepared this Eligibility Report and the related Redevelopment Project and Plan with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Report and the related Redevelopment Plan, and (ii) the fact that JRG has obtained the necessary information so that the Eligibility Report and related Redevelopment Plan will comply with the Act. The determination of whether the Project Area qualifies for designation as a redevelopment project area based on findings of the area as a conservation area, or a blighted area, or a combination of both, pursuant to the Act is made by the City of Chicago after careful review and consideration of the conclusions contained in this Eligibility Report.

The Project Area

The Project Area is located approximately 9 miles north of the central business district of the City of Chicago. The Project Area is located just east of the North Branch of the Chicago River and west of US Route 41/Lincoln Ave which runs northwest/southeast between Foster Avenue and Howard Street in Chicago.

The Project Area is an improved area which contains 51 buildings and 197 tax parcels within 8 full and partial tax blocks located in the Lincoln Square Community Area, with total land area of 24.35 acres.

The Project Area has two fairly distinct areas made up of residential uses on the east and institutional uses to the west. The residential area is characterized by predominantly multi-family properties interspersed with a few isolated single family buildings and a church building. East of Washtenaw, the area is exclusively institutional in use including a public elementary school and semipublic uses including the sprawling Swedish Covenant hospital and related uses as well as a few church properties. Existing land uses in the Project Area are illustrated in *Eligibility Report Figure 2, Existing Land Use*.

The Project Area as a whole is physically characterized by densely built, aging and obsolete residential, public and semipublic property on improved parcels. The Swedish Covenant Hospital Campus buildings encompassed within the Project Area range from 16 to 106 years in age with various additions and renovations over the years. The residential area developed around the hospital campus limiting hospital expansion and development opportunities and causing site constraints. The hospital campus facilities are characterized by aging, overcrowded and obsolete buildings. Multiple and disparate buildings - including individual buildings constructed at different times and linked together later - cause inefficiency and a strain on building systems. Multiple mechanical, electrical and plumbing systems are nearing or have exceeded their useful life and require significant upgrades or replacements. Overcrowding within the hospital campus results in limitations on growth and expansion and causes inadequate loading and service access.

Summary of Project Area Eligibility

For TIF designation, an improved redevelopment project area must qualify for classification as a conservation area, a blighted area, or a combination of both blighted and conservation areas as set forth in the Act. Surveys and analyses documented in this report indicate that the Project Area is eligible as a combination of conservation and blighted areas within the requirements of the Act.

The Project Area qualifies as a conservation area under the improved property criteria as set forth in the Act. Specifically,

- Eighty-four percent (84%) of the buildings are 35 years of age or older;
- Five conservation area factors are present to a meaningful extent and reasonably distributed throughout the entire Project Area. These include:
 1. Obsolescence
 2. Overcrowding/Excessive Land Coverage
 3. Inadequate Utilities
 4. Lack of Community Planning
 5. Declining or Lagging EAV
- Two additional factors: Deterioration and Structures Below Code, are present to a meaningful extent and impact the Project Area, but are limited in nature or not consistently present across the Project Area so cannot be considered "reasonably" distributed throughout the Improved Area. Nonetheless, the presence of these two factors supports the overall eligibility of the Project Area.

Finally, the Project Area includes only real property and improvements that would be substantially benefited by the proposed redevelopment project improvements.

I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made these key findings in adopting the Act:

1. That there exists in many municipalities within the state blighted and conservation areas;
2. That as a result of the existence of blighted areas and areas requiring conservation, there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment, unmarketability of property, growth in delinquencies and crime, and housing and zoning law violations in such areas together with an abnormal exodus of families and businesses so that the decline of these areas impairs the value of private investments and threatens the sound growth and the tax base of taxing districts in such areas, and threatens the health, safety, morals, and welfare of the public; and
3. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project area qualifies either as a blighted area or as a conservation area within the definitions for each set forth in the Act (Section 11-74.4-3).

Blighted areas are defined as: 1) any improved area in which buildings or improvements are detrimental to the public safety, health or welfare because of a combination of 5 or more of the thirteen (13) improved area eligibility factors set forth in the Act; and 2) any vacant area in which its sound growth is impaired by the presence of 1 or more of 7 eligibility criteria set forth in the Act.

Conservation areas are defined in the Act as any improved area in which 50% or more the structures have an age of 35 years and the improved area exhibits the presence of a combination of 3 or more of the thirteen (13) improved area eligibility factors set forth in the Act. Such an area is not yet a blighted area but if left unchecked, the presence of 3 or more such factors which are detrimental to the public safety, health or welfare, such an area may become a blighted area.

Improved Area Eligibility Criteria

Section 11-74.4.3 of the Act defines the thirteen (13) eligibility factors for improved areas. To support a designation as a blighted or conservation area each qualifying factor must be: (i) present to a meaningful extent and that presence documented so that the City may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Project Area.

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of individual structures
5. Presence of structures below minimum code standards
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or layout

11. Lack of community planning
12. Environmental remediation costs have been incurred or are required
13. Declining or lagging rate of growth of total equalized assessed valuation

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Project Area.

II. ELIGIBILITY SURVEY AND ANALYSIS

An analysis was made of each of the factors listed in the Act for conservation areas and blighted areas to determine whether each or any factors are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by JRG included:

1. Exterior survey of the condition and use of all buildings and sites; Review of Needs Assessment for hospital facilities.
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original platting and current parcel size and layout;
6. Analysis of vacant parcels and buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Analysis of City of Chicago building permit data and building code violation data for the period from September 2008 through October 2013;
10. Analysis of storm, sanitary sewer lines and water supply lines within the Project Area via existing infrastructure maps provided by the City of Chicago's Department of Water Management;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 2006 to 2012; and
12. Review of Cook County Treasurer property tax payment records for collection years 2011, 2012, and 2013.

A statement of findings is presented for each factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

A factor noted as "**not present**" indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist that document that the factor is present, but that the distribution or impact of the condition is limited. Finally, a factor noted as present to a meaningful extent indicates that conditions exist which document that the factor is present throughout major portions of the Project Area and that the presence of such conditions have a major adverse impact or influence on adjacent and nearby development.

The following is the summary evaluation of the eligibility factors for the Project Area, presented in the order in which they appear in the Act.

III. IMPROVED AREA ELIGIBILITY FACTORS

The following is the summary evaluation of the eligibility factors for the Project Area presented in the order in which they appear in the Act.

Age

Age is a primary and threshold criterion in determining an area's qualification for designation as a conservation area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over an extended period of years. Since building deterioration and related structural problems can be a function of time and climate, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings.

Of the 51 buildings within the 8 tax blocks, 43 (84%) are 35 years of age or more.

Conclusion: *The Project Area meets the required age test for designation as a conservation area. Eighty-four percent (84%) of the buildings within the Project Area exceed 35 years in age.*

A. Dilapidation

Section 11-74.4-3 of the Act defines Dilapidation: *An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the Building Conditions Survey Manual. The Building Conditions Manual, with updates to current standards, has been in use for over 40 years and is used by Midwest planning consultants. The original manual was developed by staff involved in field surveys and analysis, providing a consistent method of evaluating buildings necessary for the background findings for the planning profession since the days of assessing properties during the 1960's Urban Renewal years.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in February and July 2013. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the inspections.

Building Components Evaluated

During the field survey, each component of the buildings in the Project Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural

These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.

Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, porches and steps, chimneys, and gutters and downspouts.

Criteria for Classifying Defects for Building Components

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

Building Component Classifications

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

Sound

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

Deficient - Requiring Minor Repair

Building components containing defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

Deficient - Requiring Major Repair

Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Critical

Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

Final Building Rating

After completion of the exterior-interior building condition survey, each structure was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

Minor -- one or more minor defect, but no major defect.

Major -- one or more major defects in one of the primary components or in the combined secondary components, but no critical defect.

Substandard

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed or major components substantially repaired and/or replaced. Buildings classified as structurally substandard have two or more major defects.

"Minor deficient" and "major deficient" buildings are considered to be the same as "deteriorating" buildings as referenced in the Act; "substandard" buildings are the same as "dilapidated" buildings. The words "building" and "structure" are presumed to be interchangeable.

Exterior Survey

The conditions of the buildings within the Project Area were determined based on observable components. JRG conducted an exterior survey of each building within the Project Area to determine its condition. JRG identified no buildings as dilapidated. Of the 51 buildings in the Project Area:

- 41 buildings (47.6%) were classified as structurally sound;
- 10 buildings (42.9%) were classified as minor deficient (deteriorating);
- 0 buildings (8.5%) were classified as major deficient (deteriorating); and
- 0 buildings (1.0%) were classified as structurally substandard dilapidated).

Conclusion: No Presence of Factor. Dilapidation (structurally substandard buildings) as a factor is not present in the Project Area.

B. Obsolescence

Section 11-74.4-3 of the Act defines Obsolescence: *The condition or process of falling into disuse. Structures have become ill suited for the original use.*

In making findings with respect to buildings, it is important to distinguish between *functional obsolescence*, which relates to the physical utility of a structure, and *economic obsolescence*, which relates to a property's ability to compete in the market place.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Factors of obsolescence may include inadequate utility capacities, outdated building designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

Obsolete Building Types

Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present throughout the hospital facilities as documented by outdated mechanical conditions, presence of wall or window air conditioning units and outmoded, non-energy efficient windows. The horizontal and multiple building layout of the hospital create inefficiencies and limit state of the art improvements. These structures are characterized by conditions that limit their efficient or economic use according to contemporary standards.

Many of the residential properties were built prior to 1950 and reflect outmoded building and site design compared to contemporary developments. Most of the multi-family buildings exhibited either wall or window air conditioning units as well as single pane, non-energy efficient windows. Due to the age of their construction, many of the residential developments lack sufficient wall insulation causing heating/cooling inefficiencies year round. Many of the older residential buildings still retain their original electrical systems from the pre-1950 era which were not designed to handle the number or demand of appliances of today. See *Eligibility Report Figure 3, Obsolescence.*

Conclusion: Major Presence of Factor. The analysis indicates that obsolescence is present to a meaningful extent in 6 of the 8 tax blocks and reasonably distributed throughout the Project Area.

C. Deterioration

Section 11-74.4-3 of the Act defines Deterioration: With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration of Sites and Infrastructure

As part of the survey, JRG documented site conditions that include broken pavement, uneven street surfaces, and gravel surfaces within parking areas, sidewalks, and alleys. Based on the field survey of streets and alleys within the Project Area, deterioration of street pavement, curb and gutters, and sidewalks was noted in one vacant lot on Foster Avenue and to a limited extent in other areas of the Project Area.

Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Eleven (11) buildings within the Project Area are classified as exhibiting minor deteriorating conditions. The condition of Deterioration is found primarily in non-residential buildings on the western half of the Project Area.

Conclusion: Minor Presence of Factor. Deterioration is present to a limited extent in 5 of the 8 tax blocks and concentrated in the non-residential buildings. Therefore, Deterioration is not meaningfully present and reasonably distributed throughout the Project Area.

D. Presence of Structures Below Minimum Code Standards

Section 11-74.4-3 of the Act defines the Presence of structures below minimum code standards: All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

JRG reviewed facility assessment reports for Swedish Covenant hospital facilities and identified a number of critical upgrades needed to meet building codes and support existing building system needs. The fire alarm system upgrades are needed in Galter Medical Pavilion (Block 306) and Nelson Hall (Block 404), the latter of which is operated by a system that is no longer manufactured. Portions of three buildings in Block 404 are currently not sprinklered. The hospital is served by multiple air handlers, chillers, and air cooled condensers, many of which are in poor condition and do not meet current code requirements or fail to operate at their maximum capacity. Back up diesel generators located on the roof of the Galter Medical Pavilion are 35 years old and have deteriorated to the point that the hospital can no longer run routine tests.

In addition to deficient mechanical and building systems, the Main Building at 5145 N. California, originally built in 1927 not longer meets existing requirements for the two south wing stairs. See *Eligibility Report Figure 5, Buildings Below Minimum Code Standards*.

Conclusion: Major Presence of Factor. The analysis indicates that structures below minimum code standards is present to a meaningful extent in 3 of the 8 tax blocks in the Project Area but is not reasonably distributed throughout the Project Area.

E. Illegal Use of Individual Structures

Section 11-74.4-3 of the Act defines illegal use of individual structures: *The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*

Violation of federal, State or local laws were not evident as part of the exterior field survey conducted as part of this Eligibility Study.

Conclusion: *No Presence of Factor. No condition pertaining to illegal uses of individual structures has been documented as part of the exterior surveys and analyses undertaken within the Project Area. This factor is not a supporting factor for Project Area eligibility.*

F. Excessive Vacancies

Section 11-74.4-3 of the Act defines excessive vacancies: *The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

Vacancies are present to a minimal extent based on an exterior field survey. Of the 197 residential units in the Project Area, two appear to be vacant. There is one commercial building in the Project Area with five units, one of which is vacant. For purposes of this report a building was characterized as exhibiting "excessive vacancies" if more than 15% of its units were vacant, and a block was characterized as having "excessive vacancies" if more 10% of the buildings on the block exhibited "excessive vacancies." Under these definitions, one commercial building and two residential buildings (less than 6% of all structures) exhibited vacancies but not to an extent that would be deemed excessive.

Conclusion: *Minor Presence of Factor. Excessive vacancies as a factor is not present to a meaningful extent and is not reasonably distributed throughout the Project Area.*

G. Lack of Ventilation, Light, or Sanitary Facilities

Section 11-74.4-3 of the Act defines lack of ventilation, light, or sanitary facilities: *The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*

An interior inspection of conditions is required to determine the presence of this factor. No such inspection was conducted as part of this Eligibility Study. Sufficient ingress/egress and the presence of sufficient window openings was present from an exterior field survey.

Conclusion: *No Presence of Factor. No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area. This factor is not present in the Project Area.*

H. Inadequate Utilities

Section 11-74.4-3 of the Act defines inadequate utilities: *Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone,*

and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Existing sewer and water supply lines throughout the City were largely put in place 50 to 100 years ago and many are undersized. These aging and/or undersized lines are obsolete by today's development standards and inadequate to accommodate new development.

Review and analysis of the City's water and sewer atlases for the pipes that serve the Project Area indicate that many of the existing lines have dangerously exceeded their intended life of approximately 100 years. Many of these lines were laid prior to the land uses they serve currently. Water lines range in age from 91 years to 130 years on the eastern edge of the Project Area. Sewer lines range in age from 88 years to 123 years, with the exception of 3 street segments built post 1975. See Eligibility Report Figure 7. Inadequate Utilities.

Conclusion: Major Presence of Factor. Inadequate Utilities, as a factor, impacts all of the blocks in the Project Area, and is present to a meaningful extent and reasonably distributed throughout the Project Area.

I. Excessive Land Coverage & Overcrowding of Structures and Community Facilities

Section 11-74.4-3 of the Act defines excessive land coverage and overcrowding of structures and community facilities: *The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.*

Excessive land coverage and overcrowding of structures and community facilities is present in 20 buildings and six of the eight tax blocks in the Project Area. The development over the years of Swedish Covenant Hospital buildings within a constrained site have restricted expansion and impeded proper functional layout of buildings, creating inadequate vehicle and pedestrian access to and between buildings. The horizontal rather than vertical nature of building coverage and multiple buildings causes logistical and physical impediments to smooth and efficient hospital functions affecting patient transport, food service, laundry, linen and supply distribution, garbage collection, and security.

The residential portion of the Project Area is very densely built with multi-family buildings placed very close to each other. Most of the apartment and condominium buildings have extremely limited parking for the number of dwelling units. The parking requirements for RS-3, in which the residential portion of the Project Area lies, require 1 space per unit for multi-family buildings but field surveys indicate as few as 12 spaces for a 29 unit building (.4 spaces/unit). Some have a few spaces off the alley but are not sufficient by contemporary standards. Many of the multi-unit residential buildings are placed very close together and cover most or all of the parcels upon which they are situated and do not contain adequate front, rear and side yards. See Eligibility Report Figure 8, Excessive Land Coverage/Overcrowding of Structures and Community Facilities.

Conclusion: Major Presence of Factor. Excessive land coverage and overcrowding of structures and community facilities is documented in 6 of the 8 tax blocks in the Project Area. Therefore, excessive land coverage and overcrowding of structures and community facilities is present to a meaningful extent and reasonably distributed throughout the Project Area.

J. Deleterious Land Use or Layout

Section 11-74.4-3 of the Act defines deleterious land-use or layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

While there were a few isolated single family buildings situated adjacent to large apartment or condominium buildings, the land uses are consistent with the Zoning Ordinance and do not result in conflicting or inappropriate mix of uses.

Conclusion: No Presence of Factor. Deleterious land-use or layout has not been documented as present in the Project Area.

K. Lack of Community Planning

Section 11-74.4-3 of the Act defines lack of community planning: The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The City of Chicago was incorporated in 1837 and expanded in population and geography well into the 20th century. With the adoption of the Burnham Plan in 1909, the City established a pattern of streets and boulevards on a grid system with residential, commercial and confined industrial areas separated by major rail lines, commercial corridors and the parks connected by green boulevards. Swedish Covenant Hospital was established early in the development of the Project Area establishing a 12 bed hospital in 1886 and building a full-scale 40-bed hospital facility in 1903 serving immigrants in need of care. The residential neighborhood developed moderately in the early years of the hospital's existence and then quickly built up around the hospital through the 1920s followed by another housing boom in the 1950s.

Like other parts of the city, development of the area was so rapid that properties were developed on a parcel by parcel basis without any long term plan or guidelines for the growth and development of the hospital or compatibility with residential and other uses in the neighborhood. As a result, the hospital complex is bisected by several local and collector streets, creating an impediment to cohesive expansion or the creation of a long term building layout and design for future needs of the hospital. Parking, access and walking distances are part of the hodge podge of the current layout.

Conclusion: Major Presence of Factor. Lack of community planning has been documented in each of the tax blocks and is therefore meaningfully present and reasonably distributed throughout the Project Area.

L. Environmental Remediation

Section 11-74.4-3 of the Act defines environmental remediation: The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

The Project Area does not contain any properties or Long-term Cleanup Sites on the United States Environmental Protection Agency's Region 5 Superfund website and does not contain any Leaking Underground Storage Tanks ("LUST") tracked via the Illinois Environmental Protection Agency's Leaking Incident Database.

Conclusion: No Presence of Factor. No condition pertaining to a need for environmental remediation has been documented as part of the surveys and analyses undertaken within the Project Area.

M. Declining or Lagging Equalized Assessed Valuation

Section 11-74.4-3 of the Act defines declining or lagging equalized assessed valuation: The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

Over the period from 2007 to 2012, the growth rate of the total equalized assessed valuation (EAV) of the Project Area has declined in three of the last five years and lagged behind the annual rate of the Consumer Price Index (CPI) in the same three years. These figures are shown below in Table 1. Growth of Project Area vs. City of Chicago.

Table 1. Growth of Project Area

Year	Project Area EAV	% Change	CPI -Dec. Value/ All Urban Consumers	% Change	CPI Growth?
2007	14,757,782		210.036		
2008	16,663,136	12.91%	210.228	0.09%	NO
2009	17,919,509	7.54%	215.949	2.72%	NO
2010	17,145,691	-4.32%	219.179	1.50%	YES
2011	15,483,180	-9.70%	225.672	2.96%	YES
2012	15,135,893	-2.24%	229.601	1.74%	YES

2007 to 2012 is the most recent five year period for which data is available for the Project Area and CPI.

Percent Change reflects the annual growth in EAV from the prior year (e.g. -2.24% change in Project Area EAV for Year 2012 represents the decline in EAV from 2011 to 2012).

Conclusion: Factor is Present. As documented by the three year decline in EAV of the Project Area between 2010 and 2012, Declining or Lagging Equalized Assessed Valuation as a factor is present in the Project Area.

IV. DETERMINATION OF PROJECT AREA ELIGIBILITY

The Project Area meets the requirements of the Act for designation as a combination of a conservation area and a blighted vacant area.

A. Age

The Project Area meets the threshold criteria which requires that 50% or more of buildings are 35 years of age or older. Eighty four percent (84%) of the Project Area's buildings are 35 years of age or older.

B. Conservation Area Criteria

The meaningful presence and reasonable distribution of a minimum of three of the thirteen factors set forth in the Act are required for an Project Area to qualify for designation as a conservation area. The analysis of the Project Area found a meaningful presence and a reasonable distribution of five (5) factors throughout the Project Area, including:

1. Obsolescence
2. Overcrowding/Excessive Land Coverage
3. Inadequate Utilities
4. Lack of Community Planning
5. Declining or Lagging EAV

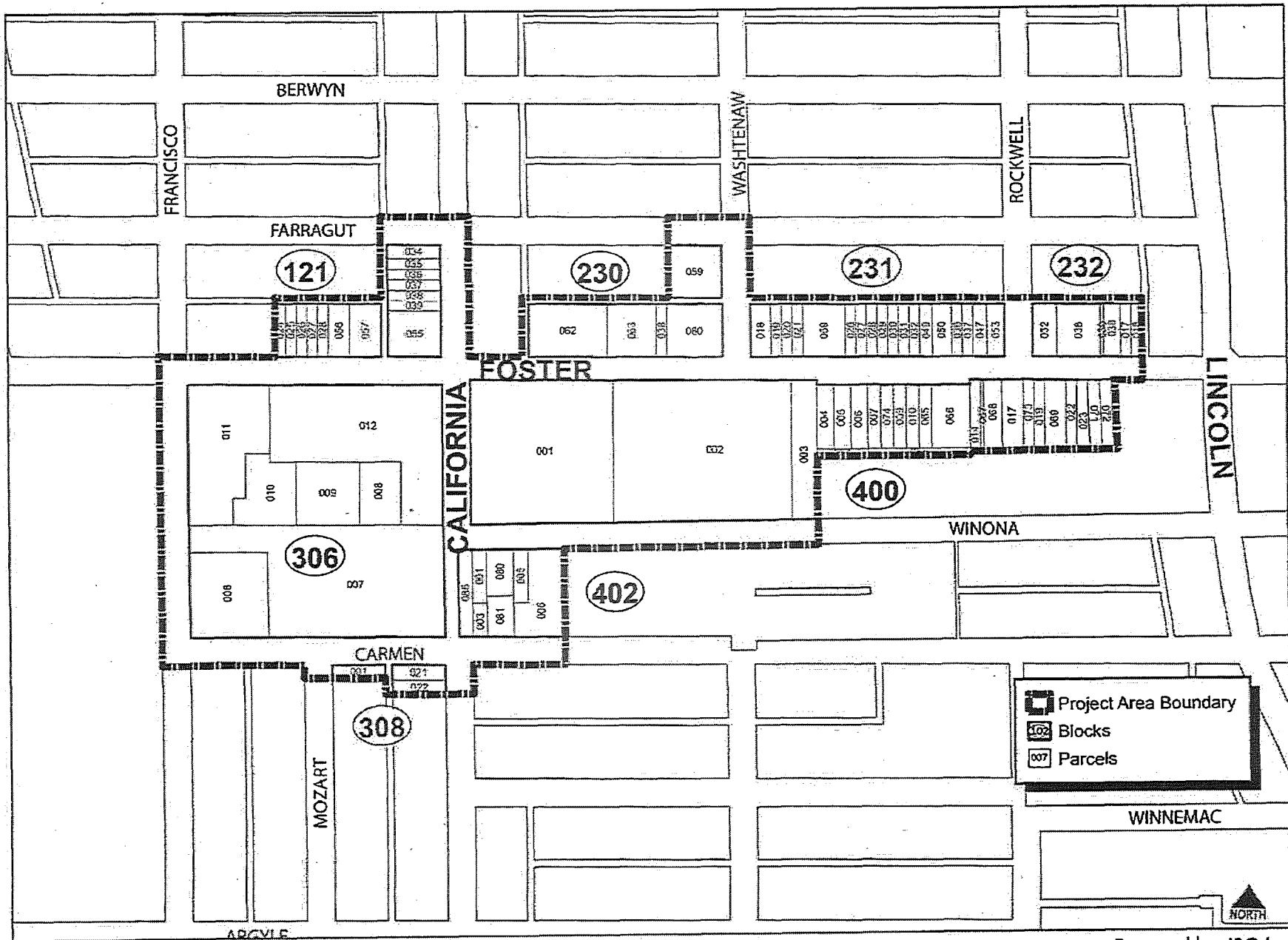
The summary of conservation area factors is documented on a block-by-block basis in **Table 2: Distribution of Conservation Area Factors**.

Table 2. Distribution of Conservation Area Factors

Block No.	Dilapidation	Obsolescence	Deterioration	Illegal Use	Struct. below code	Excess. Vacancies	Overcrowding / Excess. land coverage	Lack of Light Vent	Inadequate Utilities	Deliberious land use	Environmental Remediation	Declining/Lagging EAV	Lack of Community Planning
13-12-121		○	○			○	●		●			●	●
13-12-230		●							●	●		●	●
13-12-231			○			○	●		●			●	●
13-12-232		●					●		●			●	●
13-12-400		●	○		○		●		●	○		●	●
13-12-306					○					●		●	●
13-12-308		●										●	●
13-12-402							●		●			●	●
Total		●	○		○	○	●		●	○		●	●

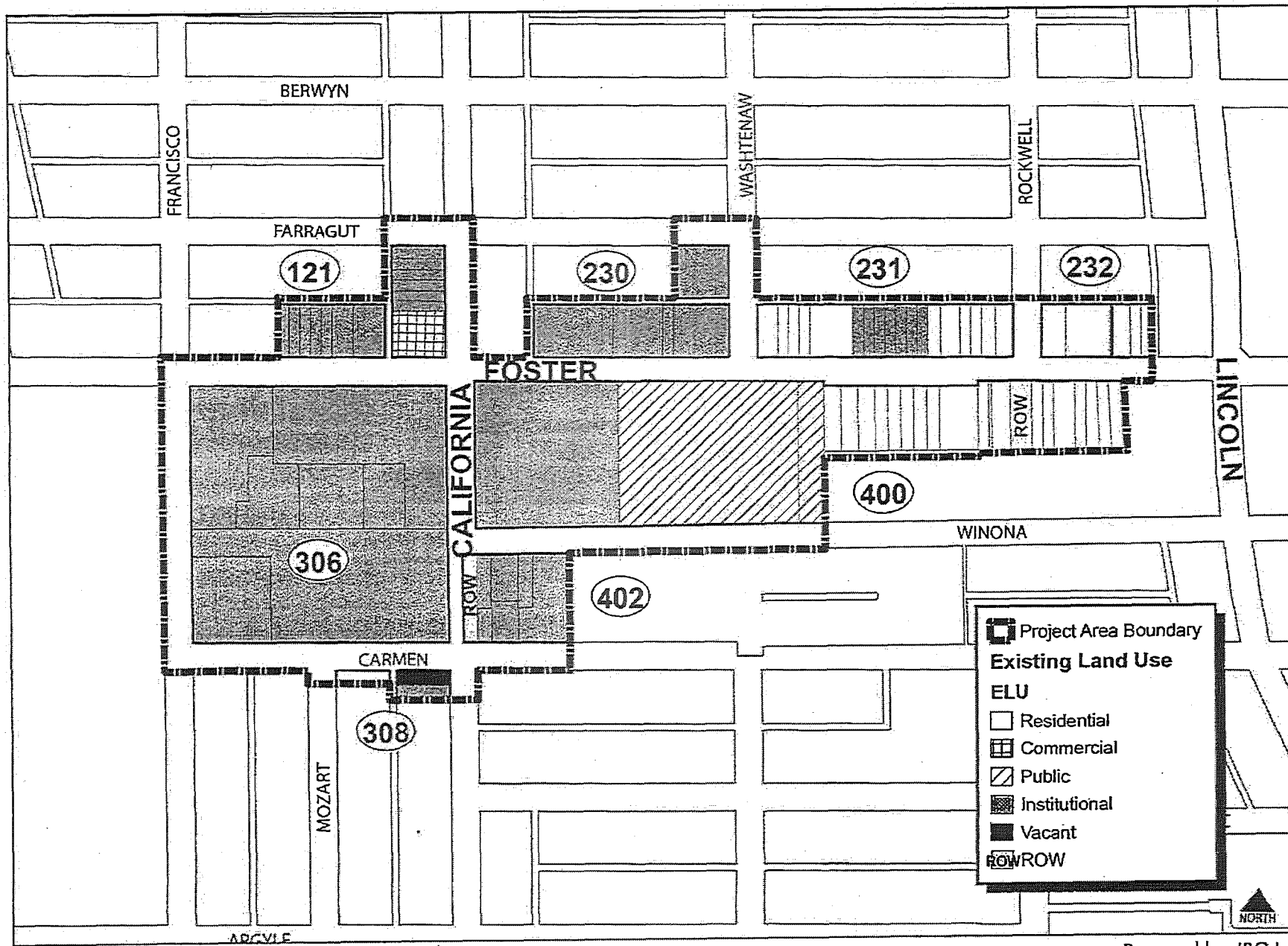
- Present to a minor extent
- Present to a major extent

The eligibility findings presented in this report indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains properties and buildings of various sizes and design that are advancing in obsolescence and deterioration. Existing vacancies, inadequate utilities, excessive land coverage, insufficient off-street parking, inadequate loading and service areas, and other conservation and blighting factors as identified above, indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.



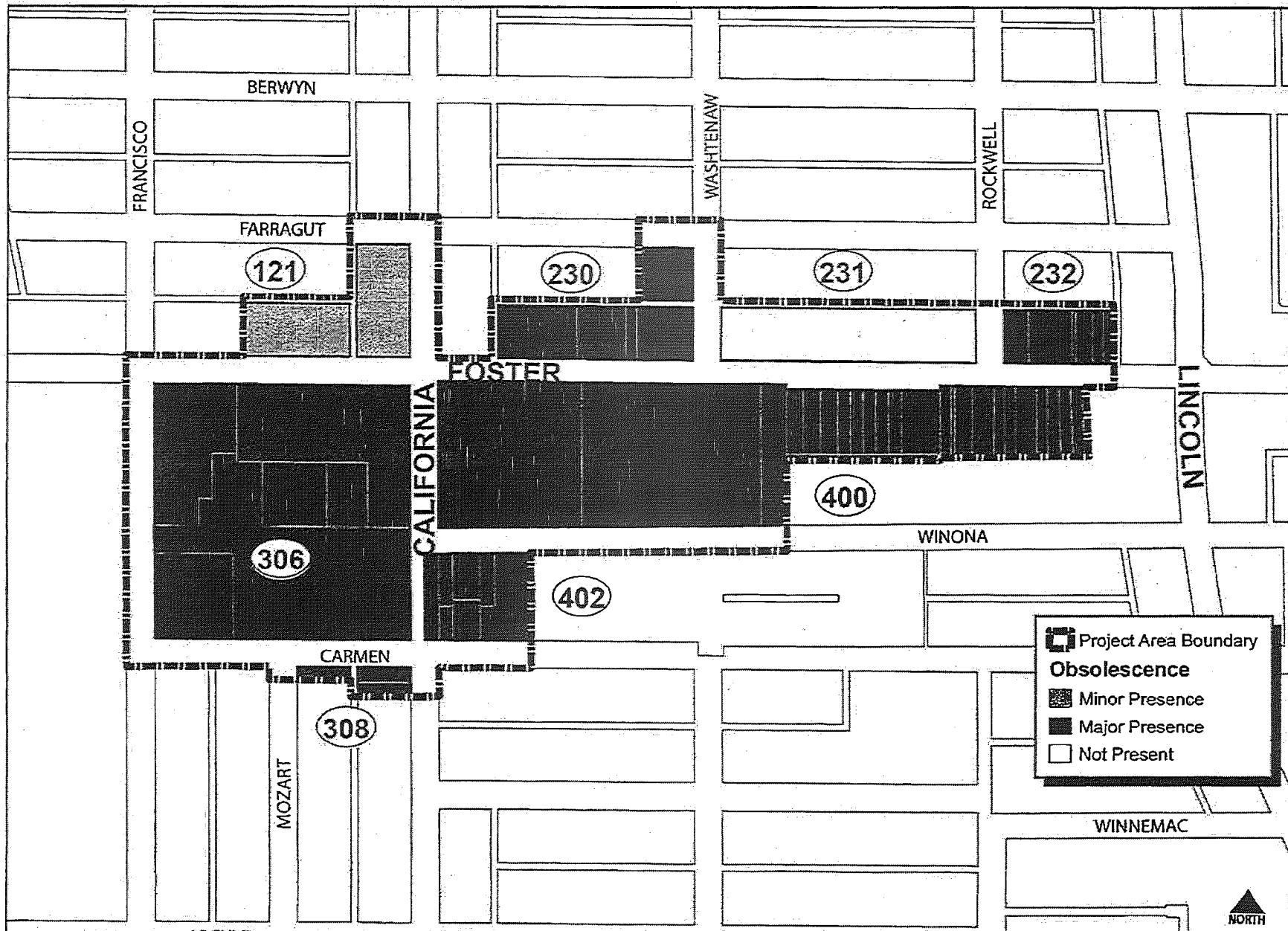
Eligibility Report Figure 1. Project Area Boundary
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



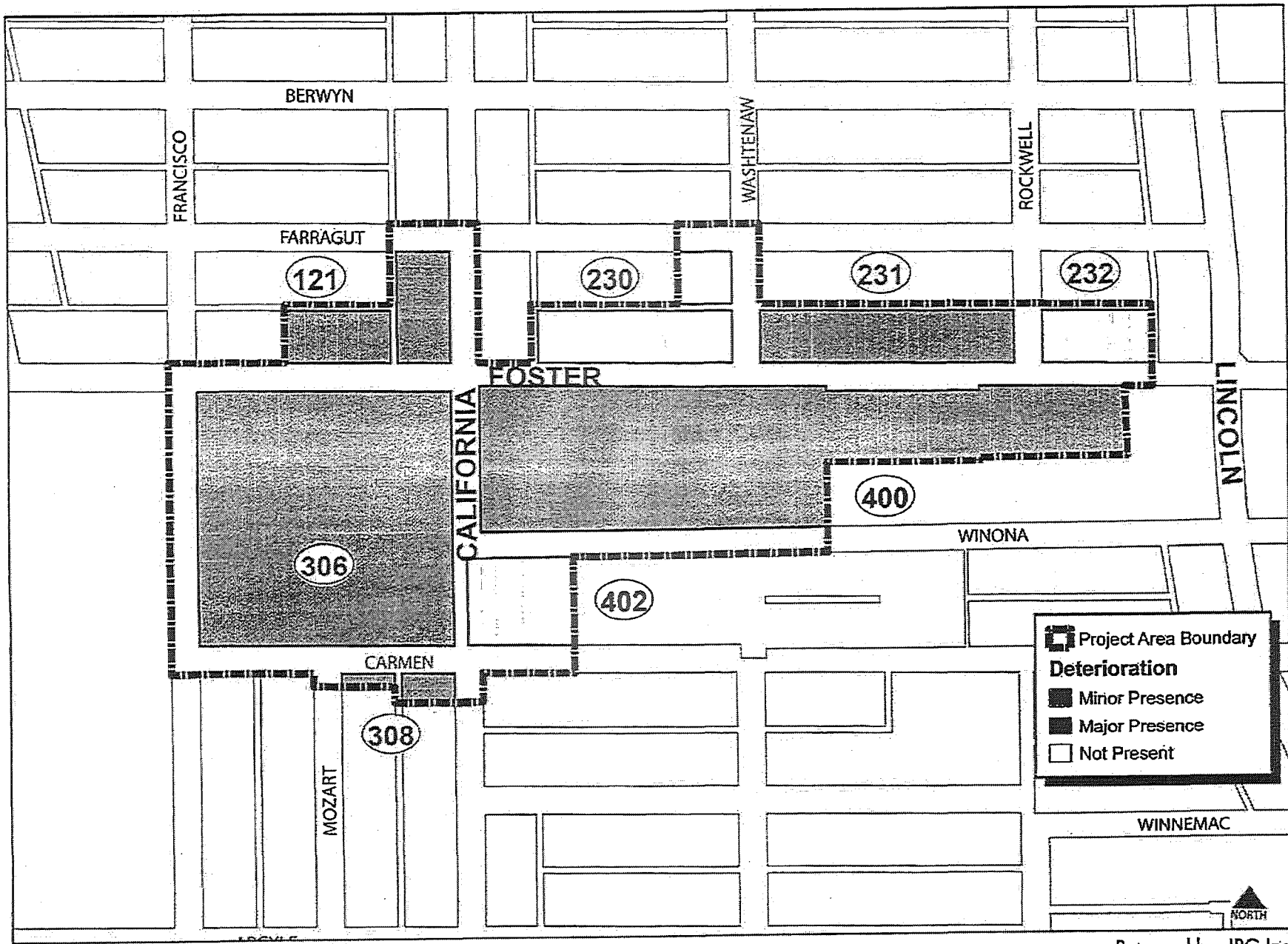
Eligibility Report Figure 2. Existing Land Use
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



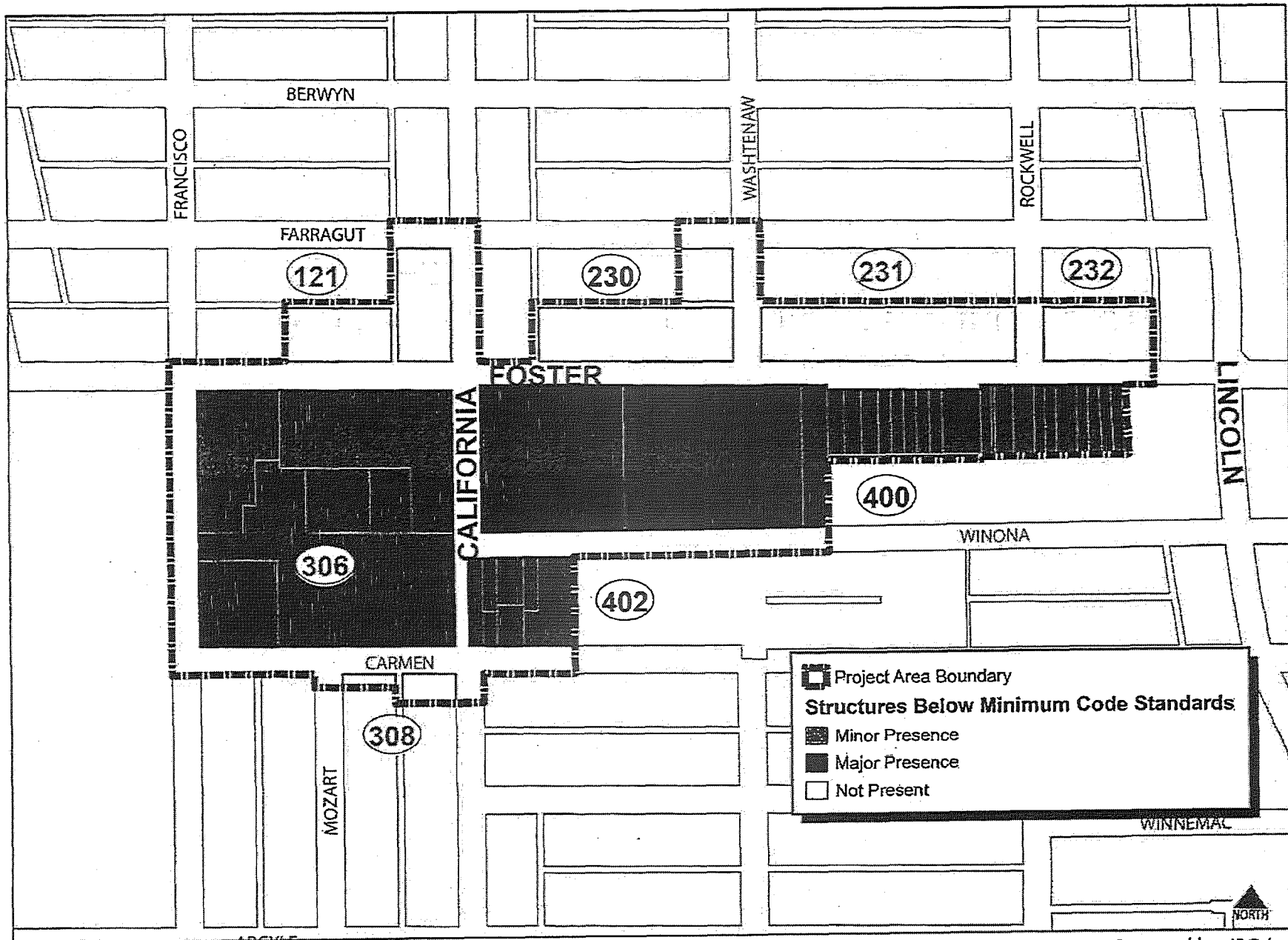
Eligibility Report Figure 3. Obsolescence
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013

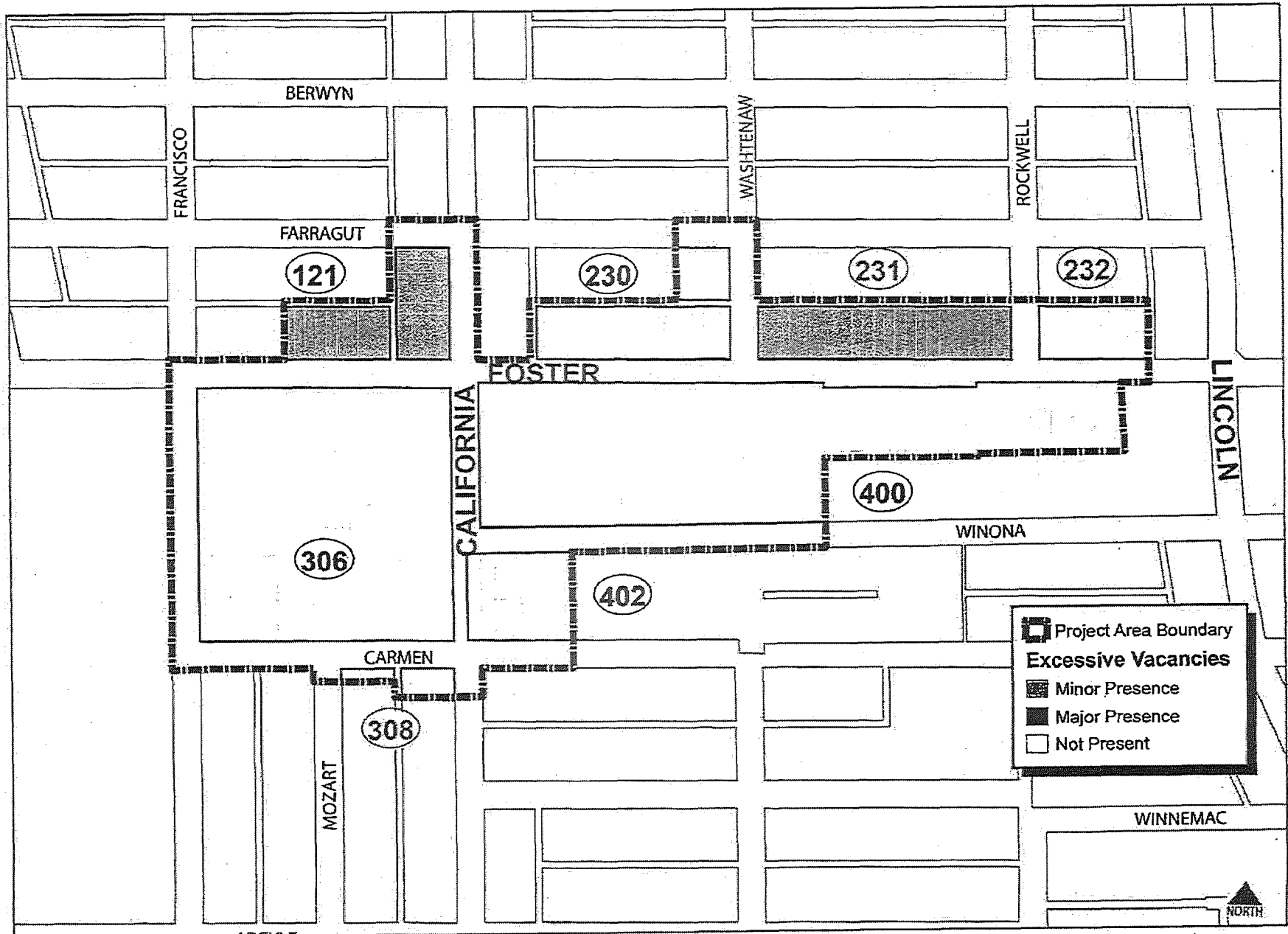


Eligibility Report Figure 4. Deterioration
 FOSTER & CALIFORNIA TIF

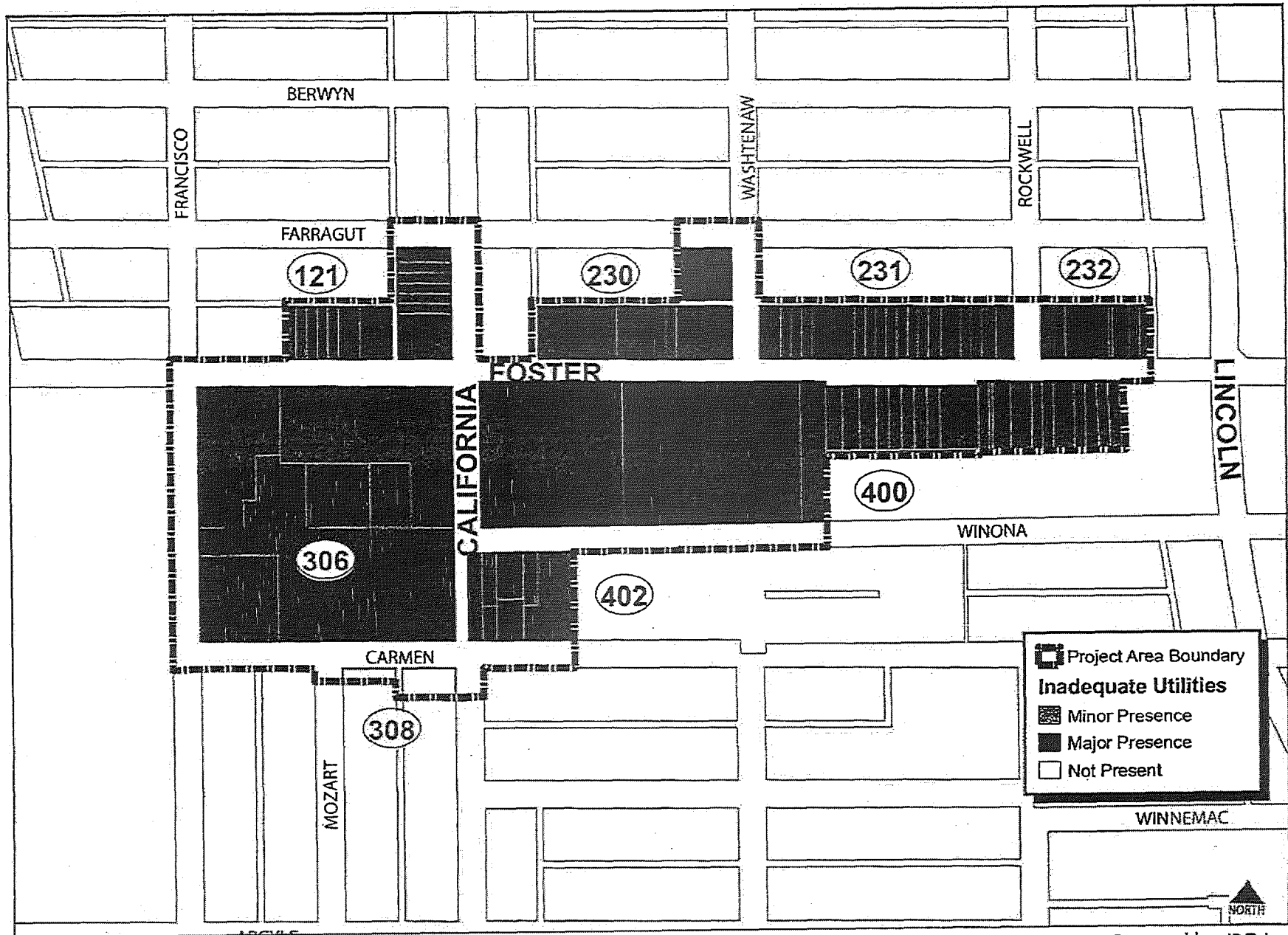
Prepared by JRG Inc
 November 2013



Eligibility Report Figure 5. Buildings Below Minimum Code Standards
 FOSTER & CALIFORNIA TIF

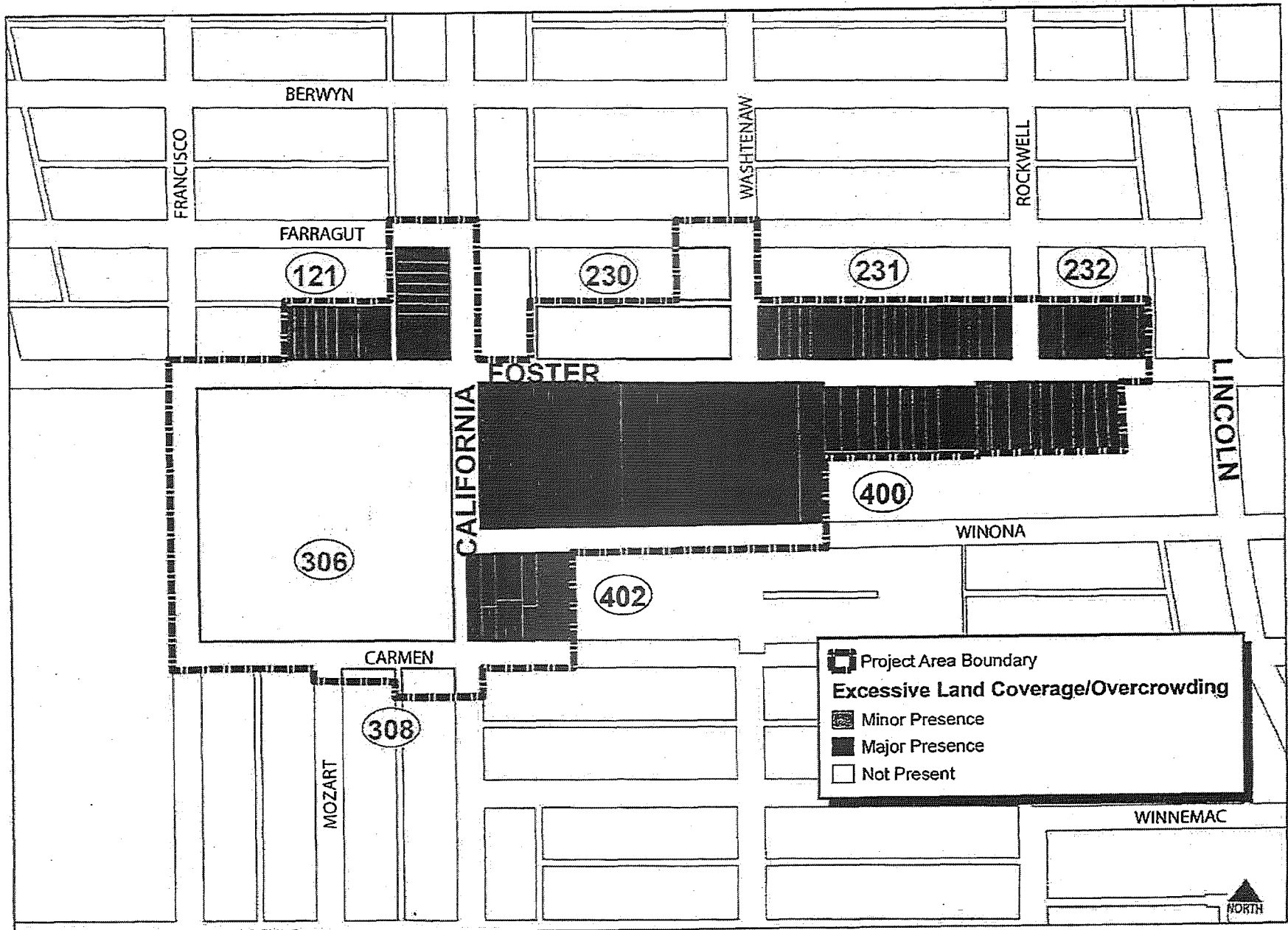


Eligibility Report Figure 6. Excessive Vacancies
 FOSTER & CALIFORNIA TIF



Eligibility Report Figure 7. Inadequate Utilities
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013



Eligibility Report Figure 8. Excessive Land Coverage/Overcrowding
 FOSTER & CALIFORNIA TIF

Prepared by JRG Inc
 November 2013

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Attachment B

CERTIFICATION

TO:

Leslie Geissler Munger
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jesse Ruiz
Interim Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Michael Jasso
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Foster/California Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2014, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2015.

Handwritten signature of Rahm Emanuel in cursive script, dated 3/12/15.

Rahm Emanuel, Mayor
City of Chicago, Illinois



June 30, 2015

DEPARTMENT OF LAW
CITY OF CHICAGO

Attachment C

Leslie Geissler Munger
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jesse Ruiz
Interim Chief Executive Officer
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Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: Foster/California
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

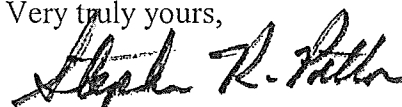
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENT D

Activities Statement

Projects that were implemented during the preceding fiscal year are set forth below:

<u>Name of Project</u>
Swedish Covenant Hospital



Doc#: 1427416059 Fee: \$186.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 10/01/2014 03:41 PM Pg: 1 of 76

[leave blank 3" x 5" space for recorder's office]

8848638

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

SWEDISH COVENANT HOSPITAL REDEVELOPMENT AGREEMENT

This Swedish Covenant Hospital Redevelopment Agreement (this "Agreement") is made as of this 1st day of October, 2014, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Swedish Covenant Hospital, an Illinois not-for-profit corporation (the "Developer" or "Hospital").

RECITALS

A. **Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base; create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. **Statutory Authority:** The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on April 2, 2014: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Foster and California Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois

Designating the Foster and California Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Foster and California Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. **The Property.** The development site is located in the Redevelopment Area, as part of the Hospital campus which covers the area between Francisco Avenue to California Avenue and Foster Avenue south to Carmen Avenue. The main building is located at 5145 North California Avenue, and the Galter Medical Pavilion is located at 5140 North California Avenue on the Hospital campus, and legally described in Exhibit B (the "Property").

E. **The Project:** The Developer, as owner of the Property, intends to rehabilitate the Women's Health Center (the "WHC") and renovate the Emergency Department (the "ER Department") as follows:

(i) The Women's Health Center phase of the Project (collectively, the "WHC Phase") on the 4th floor of the Galter Medical Pavilion consists of (a) an approximately 16,783 square foot interior space which will be completely renovated to include a reception area, resource center with a library and reading room, areas for classrooms and conference rooms, 20 patient exam rooms (for mammograms, bone density testing, pulmonary testing, echocardiogram exams, pacemaker exams, biopsies and ultrasounds), a nuclear cardiology/stress lab, areas for electrocardiograms (EKGs) and blood draws, changing and gowned waiting rooms, 6 consultation rooms, and areas to support physicians in the WHC, (b) the acquisition of medical equipment for operating the WHC such as echocardiogram beds, Stryker equipment carts, echocardiogram and nuclear reading stations, VO₂ analyzer, nuclear testing camera, lockers, projectors, computers supporting testing, and other medical equipment, and (c) removing and replacing the approximately 20,000 square foot 7th floor roof and the rebuilding of approximately 1,688 square feet devoted to chillers.

(ii) The Emergency Department phase consists of an approximately 13,833 square foot renovation to the first floor of the east wing of the Hospital's main building, including renovating 15 private large rooms for trauma cases, five dedicated psychiatric rooms, a 12-bay fast track private exam area, a new post-exam common waiting area, a private consultation room, a new pharmacy work station, a new physician/nurse work station as well as infrastructure improvements to elevators, rest rooms and mechanicals (collectively, the "ER Phase" and together with the WHC Phase, the "Facility").

The Facility and related improvements as described above for the WHC Phase and the ER Phase (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The Project will create a substantial public benefit through its creation of not less than thirty (30) new FTE positions (as defined below) and retention of at least 2,280 positions (no fewer than 1,615 of which shall be FTE positions, with the remainder being PTE positions) during the Compliance Period. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

F. **Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Foster and California Tax Increment Financing Redevelopment

Area Project and Plan (the "Redevelopment Plan") included in the TIF Ordinances and published at pages 76735 to 76815 of the Journal of the Proceedings of the City Council.

G. **City Financing:** The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance"), the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes in order to reimburse the City for the costs of TIF-Funded Improvements.

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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	C *TIF-Funded Improvements
4. Financing	D Jobs and Occupancy Certificate
5. Conditions Precedent	E Construction Contract
6. Agreements with Contractors	F Green Initiatives
7. Completion of Construction or Rehabilitation	G *Permitted Liens
8. Covenants/Representations/Warranties of Developer	H-1 *Project Budget
9. Covenants/Representations/Warranties of the City	H-2 *MBE/WBE Budget
10. Developer's Employment Obligations	I Approved Prior Expenditures
11. Environmental Matters	J Opinion of Developer's Counsel
12. Insurance	K [intentionally omitted]
13. Indemnification	L Requisition Form
14. Maintaining Records/Right to Inspect	M Form of Subordination Agreement
15. Defaults and Remedies	N Form of Payment Bond
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	(An asterisk (*) indicates which exhibits are to be recorded.)

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:

"Act" shall have the meaning set forth in the Recitals hereof.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided that the obligations covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (**Section 8.06**) and the Jobs Covenant (**Section 8.06**); (2) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (3) delivery of updated insurance certificates, if applicable (**Section 8.14**); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); and (5) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" shall mean for each payment, an amount equal to the Incremental Taxes on deposit in the TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which is available for the financing or payment of Redevelopment Project Costs, after deducting (i) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, (ii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged for the Prior TIF Financings, and (iii) debt service payments with respect to the Bonds, if any.

"Available Project Funds" shall mean: (1) the undisbursed City Funds; (2) the undisbursed Lender Financing, if any; (3) the undisbursed Equity and (4) any other amounts deposited by Developer pursuant to this Agreement.

"Bond(s)" shall have the meaning set forth for such term in **Section 8.05** hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Bundle" shall have the meaning set forth for such term in **Section 8.01(n)** hereof.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code.

"Certified Final Project Cost" shall mean the actual cost of the Project as certified by the Developer as set forth in **Section 7.01(b)**.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in **Section 3.03**, **Section 3.04** and **Section 3.05**, respectively.

"City Contract" shall have the meaning set forth in **Section 8.01(l)** hereof.

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

"City Funds" shall mean the funds described in **Section 4.03(b)** hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement, which such date shall not be more than 180 days after the date of the City Council adoption of the ordinance authorizing DPD to enter into this Agreement.

"Compliance Period" shall mean the longer of (1) if the Developer does not deliver an Extension Notice, a period beginning on the date the Final Certificate is issued and ending on the 10th anniversary of the date the Final Certificate is issued, and (2) if the Developer delivers an Extension Notice and cures the applicable Event of Default during the one-year period in which the Extension notice was delivered, a period beginning on the date the Final Certificate is issued and ending on the 11th anniversary of the date the Final Certificate is issued.

"Contract" shall have the meaning set forth in **Section 10.03** hereof.

"Contractor" shall have the meaning set forth in **Section 10.03** hereof.

"Contribution" shall have the meaning set forth in **Section 8.01(n)** hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as **Exhibit E**, to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Department of Law.

"Developer" shall have the meaning set forth in the Recitals, together with its permitted successors and/or assigns.

"Domestic Partner" shall have the meaning set forth in **Section 8.01(n)** hereof.

"DPD" shall mean the City's Department of Planning and Development, or any successor department thereto.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" shall have the meaning set forth in **Section 10** hereof.

"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, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"**Equity**" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in **Section 4.01** hereof, which amount may be increased pursuant to **Section 4.06** (Cost Overruns) or **Section 4.03(b)(4)**.

"**ER Department**" shall have the meaning set forth in the Recitals hereof.

"**ER Phase**" shall have the meaning set forth in the Recitals hereof.

"**Escrow**" shall mean the project fund established pursuant to the Master Indenture.

"**Extension Notice**" shall have the meaning set forth in **Section 8.06** hereof.

"**Event of Default**" shall have the meaning set forth in **Section 15** hereof.

"**Facility**" shall have the meaning set forth in the Recitals hereof.

"**Final Certificate**" shall mean the Final Certificate of Completion of Construction described in **Section 7.01(b)** hereof.

"**Final ER Phase Project Cost**" shall have the meaning set forth in **Section 7.01(b)** hereof."

"**Final Project Cost**" shall have the meaning set forth in **Section 7.01(b)** hereof.

"**Final WHC Phase Project Cost**" shall have the meaning set forth in **Section 7.01(a)** hereof.

"**Financial Interest**" shall have the meaning set forth for such term in Section 2-125-010 of the Municipal Code.

"**Financial Statements**" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"**FOIA**" shall have the meaning set forth in **Section 8.23** hereof.

"**Full-Time Equivalent Employee**" or "**FTE**" shall mean an employee of the Developer at the Project if such employee is employed at the Project during the applicable month (excluding persons engaged as or employed by independent contractors, third party service providers or consultants) and works a minimum of 64 hours per two-week pay period of Developer on a regularly scheduled basis.

"General Contractor" shall mean the general contractors set forth in and/or hired pursuant to Section 6.01 hereof.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof. Incremental Taxes shall also include amounts transferred into the TIF Fund from the special tax allocation fund for the contiguous Lincoln Avenue Redevelopment Area or the Western Avenue North Redevelopment Area pursuant to Section 5/11-74.4-4(q) of the Act.

"Incremental Taxes From a New Project" shall mean with respect to the Redevelopment Area, the Lincoln Avenue Redevelopment Area and the Western Avenue North Redevelopment Area, (a) individually, Incremental Taxes generated by the equalized assessed value ("EAV") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area, the Lincoln Avenue Redevelopment Area or the Western Avenue North Redevelopment Area, as the case may be, and (b) collectively, the sum of Incremental Taxes From a New Project for all New Projects, if there are multiple New Projects.

"Indemnitee" and **"Indemnitees"** shall have the meanings set forth in Section 13.01 hereof.

"Initial Certificate" shall mean the Initial Certificate of Completion of Construction described in Section 7.01(a) hereof.

"Installment" shall have the meaning set forth in Section 4.03(c) hereof.

"Jobs and Occupancy Certificate" shall mean the Jobs and Occupancy Certificate attached hereto as Exhibit D.

"Jobs Covenant" shall have the meaning set forth in Section 8.06 hereof.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code relating to waste disposal.

"**LEED**" shall mean the Leadership in Energy and Environmental Design with respect to the Green Building Rating System maintained by the U.S. Green Building Council and applicable to commercial interiors.

"**Lender**" shall mean the Master Trustee and/or any other provider of Lender Financing.

"**Lender Financing**" shall mean proceeds of bonds issued or funds otherwise borrowed by the Developer from Lenders and irrevocably available to pay Project costs, in the amount set forth in **Section 4.01** hereof.

"**Lincoln Avenue Redevelopment Area**" shall mean the redevelopment project area established pursuant to ordinances adopted on November 3, 1999 in connection with the adoption of the Lincoln Avenue redevelopment plan.

"**Living Wages**" shall mean a base wage as that term is defined and calculated in Section 2-92-610 of the City of Chicago Municipal Code.

"**Local Records Act**" shall have the meaning set forth in **Section 8.23** hereof.

"**Master Indenture**" shall mean the Master Trust Indenture dated as of May 15, 1993 and restated as of June 1, 2008 and as amended and supplemented from time to time, between the Developer and the Master Trustee.

"**Master Trustee**" shall mean U.S. Bank National Association, as master trustee under the Master Indenture.

"**Maximum Payment Amount**" shall have the meaning set forth in **Section 4.03(c)** hereof.

"**Maximum Per Phase TIF Assistance**" shall have the meaning set forth in **Section 4.03(b)(1)** hereof.

"**MBE(s)**" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"**MBE/WBE Budget**" shall mean the budget attached hereto as **Exhibit H-2**, as described in **Section 10.03**.

"**MBE/WBE Program**" shall have the meaning set forth in **Section 10.03** hereof.

"**Municipal Code**" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"**New Mortgage**" shall have the meaning set forth in **Article 16** hereof.

"**New Project**" shall mean a development project for which the related redevelopment agreement is recorded on or after the date of this Agreement and either (a) will receive assistance in the form of Incremental Taxes, or (b) is within the Lincoln Avenue Redevelopment Area or the Western Avenue North Redevelopment Area; provided, however, that "New Project" shall not

include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

"Operating Covenant" shall have the meaning set forth in **Section 8.06** hereof.

"Other Contract" shall have the meaning set forth in **Section 8.01(n)** hereof.

"Payment Trigger" shall have the meaning set forth in **Section 4.03(c)** hereof.

"Part Time Employee" or **"PTE"** shall mean an employee of the Developer at the Project if such employee is employed at the Project during the applicable month (excluding persons engaged as or employed by independent contractors, third party service providers or consultants) and works between 48 to 63 hours per two-week pay period of Developer on a regularly scheduled basis.

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

"Permitted Mortgage" shall have the meaning set forth in **Article 16** hereof.

"Planned Development" shall mean the Planned Development Number 92, dated December 8, 2010, as amended on April 15, 2011, and as further amended from time to time.

"Plans and Specifications" shall mean construction documents, and any amendments thereto, containing a site plan and working drawings and specifications for either the WHC Phase or the ER Phase, as the case may be, as submitted to the City as the basis for obtaining building permits for such portion of the Project.

"Political fundraising committee" shall have the meaning set forth in **Section 8.05(n)** hereof.

"Prior Expenditure(s)" shall have the meaning set forth in **Section 4.05(a)** hereof.

"Prior TIF Financings" shall mean, collectively, the following:

a. Pursuant to a bond ordinance adopted by the City Council on December 13, 2006 the City issued \$356,005,000 in aggregate principal amount of General Obligation Bonds Series 2007A-K (Modern Schools Across Chicago Project), for which ad valorem taxes levied for repayment will be abated with certain taxes generated by parcels within the Lincoln Avenue Redevelopment Area;

b. Pursuant to a note ordinance adopted by the City Council on March 27, 2007, the City issued its Tax Increment Allocation Revenue Note (Lincoln Village Shopping Center Project), Taxable Series 2002A, dated June 17, 2002, in the amount of \$4,950,000 BGP Lincoln Village, L.L.C., secured by the pledge of certain taxes generated by parcels within the Lincoln Avenue Redevelopment Area for the payment of redevelopment project costs in connection with the Lincoln Village Shopping Center redevelopment project;

c. Pursuant to a note ordinance adopted by the City Council on November 3, 2004, the City issued its Tax Increment Allocation Revenue Note (Western Avenue North Redevelopment Project Area), Series 2009, dated October 5, 2009, in the amount of \$3,000,000 to 4800 Damen LLC, secured by the pledge of certain taxes generated by parcels within the Western Avenue North Redevelopment Area for the payment of redevelopment project costs in connection with the 4800 Damen LLC redevelopment project;

d. Pursuant to an ordinance adopted by the City Council on July 27, 2005, the City entered into a redevelopment agreement with JJJ Properties, Inc., dated as of February 1, 2010, whereby the City pledged certain taxes generated by parcels within the Lincoln Avenue Redevelopment Area for the payment of redevelopment project costs in connection with the JJJ Properties, Inc. redevelopment project in an amount not to exceed \$625,454; and

e. Pursuant to an ordinance adopted by the City Council on October 31, 2012, the City entered into a redevelopment agreement with Ravenswood Station, LLC, dated as of November 12, 2012, whereby the City pledged certain taxes generated by parcels within the Western Avenue North Redevelopment Area for the payment of redevelopment project costs in connection with the Ravenswood Station redevelopment project in an amount not to exceed \$4,500,000.

"Project" shall have the meaning set forth in the Recitals hereof.

"Project Budget" shall mean the budget attached hereto as **Exhibit H-1**, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with **Section 3.03** hereof.

"Property" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"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.

"Requisition Form" shall have the meaning set forth in **Section 4.04** hereof.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the earlier of December 31, 2038, the date on which the Redevelopment Area is no longer in effect or the date the Agreement is terminated pursuant to **Section 15**.

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Proceeds" shall have the meaning set forth in the Recitals hereof.

"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.

"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. **Exhibit C** lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"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 Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to non-bond issuance related 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 Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"WHC" shall have the meaning set forth in the Recitals hereof.

"WHC Phase" shall have the meaning set forth in the Recitals hereof.

"Western Avenue North Redevelopment Area" shall mean the redevelopment project area established pursuant to ordinances adopted on January 12, 2000 in connection with the adoption of the Western Avenue north redevelopment plan.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction of the WHC Phase no later than April 2, 2014; and complete construction and conduct business operations therein no later than December 31, 2014, and (ii) commence construction of the ER Phase no later than July 1, 2015; and complete construction and conduct business operations therein no later than September 30, 2016. Developer shall be bound by the Operating Covenant, Jobs Covenants, and other obligations and deadlines described in Section 8.06 and elsewhere in this Agreement.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications for the WHC Phase to DPD and DPD has approved same. Prior to commencement of any work on the ER Phase, Developer shall deliver Scope Drawings and Plans and Specifications for DPD approval. After such initial approvals, subsequent proposed changes to such Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. All Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan, the Planned Development, and all Laws, including without limitation, all zoning and building code requirements. Developer shall submit all necessary documents to the City's Buildings Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Eighteen Million Three Hundred Ninety-Seven Thousand Eight Hundred Six Dollars (\$18,397,806). Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project. Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the WCS Phase or the ER Phase by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Project to a use other than as described in Recital E to this Agreement; (c) a delay in the completion of the WHC Phase or the ER Phase by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order described in the preceding clauses (a) through (d) or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to

Developer. Notwithstanding anything to the contrary in this **Section 3.04**, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this **Section 3.04**, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders 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.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of **Section 5.03** (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as and when required hereunder.

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with a delay in the completion of the Project by 180 days being considered a Change Order, requiring DPD's written approval pursuant to **Section 3.04**). Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any Lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Laws. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Eighteen Million Three Hundred Ninety-Seven Thousand Eight Hundred Six Dollars (\$18,397,806), with such amounts for the WHC Phase and the ER Phase to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	
Investments	\$ 1,000,000
Capital Campaign	\$ 3,000,000
Cash	\$ 7,297,806
Lender Financing (*)	<u>\$ 7,100,000</u>
ESTIMATED TOTAL	<u>\$18,397,806</u>

(*) from proceeds of bonds issued under Master Indenture

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b), 4.03(c) and 4.05(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost, the Requisition Form, and documentation satisfactory in form and substance to DPD (including Developer's filing of a Jobs and Occupancy Certificate) evidencing Developer's compliance with the Operating Covenant and the applicable Jobs Covenant then due, as set forth in Section 8.06.

(b) Payment of City Funds.

1. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.05(b) and Section 5 hereof, the City hereby agrees to pay for or reimburse the Developer for the actual Project costs of the TIF-Funded Improvements, in an amount not to exceed the Maximum Per Phase TIF Assistance Amount (the "City Funds") in Installments, as follows:

<u>Project Phase</u>	<u>Source of City Funds</u>	<u>Maximum Per Phase TIF Amount</u>
WHC Phase	Available Incremental Taxes	\$2,400,000
ER Phase	Available Incremental Taxes	\$2,200,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of (a) the Maximum Per Phase TIF Amount as set forth above and \$4,600,000 in the aggregate, or (b) the amount of City Funds calculated as described in the following clause; provided further, in the event that the Final WHC Phase Project Cost is less than \$8,017,680

or the Final ER Phase Project Cost is less than \$10,380,126, the total amount of City Funds shall be reduced by \$1.00 for every \$1.00 (or portion thereof) by which the Final WHC Phase Project Cost or Final ER Phase Project Cost is less than \$8,017,680 or \$10,380,126, respectively. Such reduction shall be a reduction in WHC Payment 1 and ER Department Payment 1, respectively.

2. The City's financial commitment to provide Available Incremental Taxes for such purposes is subject to the Prior TIF Financings and the availability of sufficient Available Incremental Taxes.
3. Subject to the terms and conditions of this Agreement, payments of the City Funds shall be made to the Developer in installments (each, an "Installment") upon the Developer's submission of a Requisition Form in accordance with **Section 4.03(c)**. Such Installments shall be in the amount set forth in **Section 4.03(c)**; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the applicable Maximum Per Phase TIF Amount.
4. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement.

The Developer acknowledges and agrees that the City's obligation to pay Installments of City Funds in an amount not to exceed the applicable Maximum Per Phase TIF Amount is contingent upon the fulfillment of the conditions set forth in (1) through (4) above, as well as the prior issuance of the Initial Certificate or Final Certificate, as the case may be, and the Developer's satisfaction of all other applicable terms and conditions of this Agreement. In the event that such condition is not fulfilled, the amount of Equity and/or Lender Financing to be contributed by Developer pursuant to **Section 4.01** hereof shall increase proportionately.

(c) Payment Amount. (i) The Installments, to be paid pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement shall be made upon the submission of a Requisition Form to the satisfaction of DPD, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Maximum Payment Amount</u>
WHC Payment 1	Issuance of Initial Certificate and subsequent submission of WHC Payment 1 Requisition Form	\$920,000*
WHC Payment 2	One Year Anniversary of WHC Payment 1	\$920,000
WHC Payment 3	Two Year Anniversary of WHC Payment 1	\$560,000

ER Department Payment 1	Issuance of Final Certificate and subsequent submission of ER Department Payment 1 Requisition Form	\$360,000*
ER Department Payment 2	One Year Anniversary of ER Department Payment 1	\$920,000
ER Department Payment 3	Two Year Anniversary of ER Department Payment 1	\$920,000

* The Maximum Payment Amount set forth herein is subject to be reduced in accordance with the provisions of Section 4.03(b)(1) hereof.

4.04 Requisition Form. Conditioned upon the issuance of the Initial Certificate and the Final Certificate pursuant to Section 7 hereof, Developer shall provide DPD with a Requisition Form, substantially in the form of Exhibit L hereto, documentation satisfactory in form and substance to DPD (including Developer's filing of a Jobs and Occupancy Certificate) evidencing Developer's compliance with the Operating Covenant and the applicable Jobs Covenant then due, as set forth in Section 8.06, along with the documentation described therein and such other supporting documentation as DPD shall request.

A Requisition Form for WHC Payment 1 shall be submitted following the issuance of the Initial Certificate. If the Initial Certificate is issued prior to May 1, 2015, then subject to the availability of Available Incremental Taxes and the submission of a Requisition Form no fewer than (60) days prior to the payment, the City will make reasonable effort to pay the Developer WHC Payment 1 by July 1, 2015. A Requisition Form for ER Department Payment 1 shall be submitted following the issuance of the Final Certificate. Subject to the availability of Available Incremental Taxes and the submission of a Requisition Form no fewer than sixty (60) days prior to the payment, the City will make reasonable effort to pay the Developer ER Department Payment 1 by the earlier of the first quarter of the calendar year following the issuance of the Final Certificate or 180 days of the issuance of the Final Certificate.

The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered. If the total FTEs measured as of the applicable anniversary of the issuance of the Final Certificate is less than the applicable FTE requirement in the Jobs Covenant, then the Installment with respect to such anniversary shall equal zero. Upon the written request by the Developer accompanying a Requisition Form for reimbursement of TIF-Funded Improvements, the City agrees to make payments of City Funds then owing to the Developer directly to the Lender using wire transfer instructions provided by the Developer.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth

the prior expenditures approved by DPD as of the Closing Date as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to **Section 4.01** hereof.

(b) **Allocation Among Line Items.** Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to **Section 4.03** hereof, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Disbursement. Prior to the payment of each Installment of City Funds hereunder, Developer shall submit, in the timeframe set forth in **Section 4.04** hereof, a Requisition Form and documentation regarding the applicable expenditures to DPD that are satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for payment of an Installment of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for payment, that:

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, provide the City with evidence of sufficient sources of funds that will place the Project In Balance.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, and this Agreement.

4.08 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 City Funds are subject to being terminated, suspended and/or reimbursed as provided in Section 15 hereof.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications with respect to the WHC Phase in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any Laws and has submitted evidence thereof to DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the Loan Agreement and Master Indenture entered into by Developer regarding the Lender Financing. The encumbrances of the City set forth herein have been sufficiently subordinated to any indebtedness secured as of the Closing Date by the Master Indenture as, and to the extent, required by the terms of the Master Indenture.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with copies of the Title Policies for the Property, certified by the Title Company, showing (i) the Developer as the named insured and (ii) the Lender as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding (as applicable): zoning (3.1 with parking), contiguity, location, access and survey.

Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto and copies of any ground leases and operating leases applicable to the Facility.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Recorder	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court	Pending suits and judgments (including bankruptcy)
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. Developer, at its own expense, has insured the Property in accordance with **Section 12** hereof, and has delivered certificates required pursuant to **Section 12** hereof evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as **Exhibit J**, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in **Exhibit J** hereto, such opinions were obtained by Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of **Section 4.05(a)** hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation; Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in **Section 8.07**. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, the Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

5.13 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property, a hazardous materials survey, and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles of incorporation containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; partnership agreement, by-laws and such other documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this **Section 5.14** to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) The City has approved the Developer's selection of Pepper Construction Company a Delaware corporation, as the General Contractor with respect to the WHC Phase. The Developer has submitted copies of such Construction Contract to DPD in accordance with **Section 6.02** below. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the ER Phase, the Developer shall solicit, or shall cause such General Contractor to solicit, bids from qualified contractors eligible to do business in the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the ER Phase in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(b) Photocopies of all subcontracts entered or to be entered into in connection with the

TIF-Funded Improvements for the ER Phase shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor for the ER Phase shall not (and shall cause such General Contractor to ensure that its subcontractors shall not) begin work on the ER Phase, until the applicable Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor for the ER Phase in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract for the ER Phase by Developer, such General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit N hereto. The City shall be named as obligee or co-obligee on any such bonds

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contracts and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement) Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificates of Completion.

(a) Upon completion of the construction of the WHC Phase in accordance with the terms of this Agreement and upon satisfaction in DPD's sole discretion of the conditions set forth in (i) through (vi) of this Section 7.01(a), and upon Developer's written request, which shall include a final budget for the WHC Phase portion of the Project detailing the total actual cost of construction of the WHC Phase (a "Final WHC Phase Project Cost"), DPD shall issue to Developer the Initial Certificate. The City will issue an Initial Certificate upon the following conditions:

- i. The Developer has completed construction of the WHC in accordance with the Plans and Specifications;
- ii. The WHC is fully operational, has received a Certificate of Occupancy from

the City's Building Department, and documentation satisfactory to DPD that the Developer has complied with building permit requirements for the WHC Phase;

- iii. The Developer has provided an affidavit that the WHC has achieved at least fourteen (14) out of the maximum seventeen (17) possible points for the LEED Indoor Air Quality section which are set forth in Exhibit F hereto;
- iv. The City's Monitoring and Compliance unit has determined in writing that the Developer is in complete compliance with all City Requirements (M/WBE, City Residency, and Prevailing Wage) with respect to the WHC Phase;
- v. The Developer has submitted adequate documentation of that the Final WHC Phase Project Cost is at least \$8,017,680; provided, however, that in the event that the Final WHC Phase Project Cost is less than \$8,017,680, the total amount of City Funds shall be reduced by \$1.00 for every \$1.00 (or portion thereof) by which the Final WHC Phase Project Cost is less than \$8,017,680, as described in Section 4.03(b); and
- vi. There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

(b) Upon completion of the construction of the Project in accordance with the terms of this Agreement and upon satisfaction in DPD's sole discretion of the conditions set forth in (i) through (x) of this Section 7.01(b), and upon Developer's written request, which shall include a final budget for the ER Phase (the "Final ER Department Phase Project Cost") and of the Project (the "Final Project Cost"), DPD shall issue to Developer a Final Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. The City will issue a Final Certificate upon the following conditions:

- i. The Developer has completed construction of the Project according to the Plans and Specifications;
- ii. The Initial Certificate has been issued by the City;
- iii. The ER Department is fully operational, has received a Certificate of Occupancy from the City's Building Department, and documentation satisfactory to DPD that the Developer has complied with building permit requirements for the ER Phase;
- iv. At least thirty (30) new FTE positions have been created at the Facility and at least 2,400 positions (no fewer than 1,700 of which shall be FTE positions, with the remainder being PTE positions) have been maintained at the Hospital campus, as evidenced by the Jobs and Occupancy Certificate;
- v. The Developer has provided an affidavit that the ER Department has achieved at least fourteen (14) out of the maximum seventeen (17) possible points for the LEED Indoor Air Quality section which are set forth in Exhibit F hereto;
- vi. The City's Monitoring and Compliance unit has determined in writing that the

Developer is in complete compliance with all City Requirements (M/WBE, City Residency, and Prevailing Wage) with respect to the ER Phase;

- vii. The Final ER Department Phase Project Cost incurred by the Developer is at least \$10,380,126 and that the Final Project Cost is at least \$18,397,806; provided, however, that in the event that the Final ER Department Phase Project Cost is less than \$10,380,126 or the Final Project Cost is less than \$18,397,806, the total amount of City Funds shall be reduced by \$1.00 for every \$1.00 (or portion thereof) by which the Final ER Department Final Project Cost is less than \$10,380,126 or the Final Project Cost is less than \$18,397,806, as the case may be, as described in Section 4.03(b);
- viii. Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, \$4,600,000 TIF-eligible costs including demolition, site preparation, environmental remediation, rehabilitation, and other eligible activities under the Act; and
- ix. There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

DPD shall respond to Developer's written request for the Initial Certificate and Final Certificate within forty-five (45) days by issuing either such Certificate or a written statement detailing the ways in which the WHC Phase or ER Phase of the Project, as applicable, does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain such Certificate. Developer may resubmit a written request for such Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Initial Certificate relates only to the completion of WHC Phase and the Final Certificate relates only to the completion of the Project. Upon issuance of the Final Certificate, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete the Project have been satisfied. After the issuance of both the Initial Certificate and the Final Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph. Neither the issuance of the Initial Certificate nor the Final Certificate shall 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 8.01(j), 8.01(k), 8.02, 8.06, 8.19, 8.20, 8.23 and 8.25 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of the Initial Certificate or the Final Certificate; provided, that upon the issuance of the Final Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of the Final Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and any other related agreements to which the City and Developer are or shall be parties and/or cease all disbursement of City Funds;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to **Section 4.01**, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds, if any.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at 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 DEVELOPER

8.01 General. 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) Developer is an Illinois not-for-profit corporation duly organized, validly existing, qualified to do business and in Illinois, and licensed to do business in Illinois and in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Incorporation or by-laws 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 Developer is now a party or by which Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to **Section 8.15** hereof)

(e) Developer is now and for the Term of the Agreement shall remain solvent and 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, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) Prior to the ten (10) year anniversary of the issuance of the Final Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Except as permitted in the Master Indenture, the Developer has not incurred, and, prior to the issuance of the Final Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing, if any, disclosed in the Project Budget; Permitted Liens incurred after the Closing Date shall be subordinated to those encumbrances set forth herein, only to the extent permitted in the Master Indenture and pursuant to a subordination agreement, if and as necessary, substantially in the form of Exhibit M hereof, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

(l) the Developer 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph

(m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) May 16, 2011, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which is then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code, as amended.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinance, if any, the Bond Ordinance, if any, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of the Final Certificate.

8.03 Redevelopment Plan. The Developer represents that the Project is and shall be in compliance with all of the terms of the Planned Development and Redevelopment Plan, which are hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. Developer shall, at the request of the City, agree to any 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, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at 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, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Operating Covenant; Job Creation and Retention.

(a) **Operating Covenant.** The Developer hereby covenants and agrees to maintain the Facility, including without limitation the WHC and the ER Department, at the Property throughout the Term of the Agreement (collectively, the "**Operating Covenant**"). A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure.

(b) **Jobs Covenant.** The Developer shall adhere to the following job creation and retention standards (collectively the "**Jobs Covenant**");

(i) Prior to the date the Developer requests the City to issue the Final Certificate under **Section 7.01** hereof, the Developer shall have created not less than thirty (30) new positions and retained not less than 2,400 positions (no fewer than 1,700 of which shall be FTE positions, with the remainder being PTE positions) at the Hospital campus;

(ii) During the Compliance Period, the Developer shall maintain at least 2,280 positions (no fewer than 1,615 of which shall be FTE positions, with the remainder being PTE positions); and

(iii) During the Compliance Period, for purposes of determining eligibility for insurance, retirement and other employee benefits that may be offered by the Developer, the Developer shall continue to treat (A) an individual who is budgeted and scheduled to work a minimum of 64 hours per pay period on a regularly scheduled basis as a regular full-time employee, and (B) an individual who is budgeted and scheduled to work between 48 to 63 hours per pay period on a regularly scheduled basis as a regular part-time employee.

(c) **Jobs and Occupancy Certificates.** Throughout the Compliance Period, the Developer shall submit to DPD annual certified Jobs and Occupancy Certificates disclosing compliance with the then-applicable Jobs Covenant and the Operating Covenant. These Jobs and Occupancy Certificates shall be submitted to DPD by February 1st for the prior calendar year. The Developer agrees that it shall act in good faith and, among other things, shall not hire temporary workers or relocate workers for short periods of time for the primary purpose of avoiding a breach of the Jobs Covenant. The Jobs and Occupancy Certificate shall include the names, addresses and zip codes of principal residence, and job titles of FTEs and PTEs employed at the Facility as of the end of the prior calendar year.

(d) **Jobs Covenant Default and Cure Period.** If the Developer defaults under the Jobs Covenant, an Event of Default shall not be declared with respect to such default if the Developer, upon irrevocable written notice (the "**Extension Notice**") accompanying the Jobs and Occupancy Certificate, elects to extend the Compliance Period by one year to the eleventh (11th) anniversary of the date the Final Certificate is issued. The one-year period during which the Extension Notice is given shall be the only cure period allowed for a default by Developer of the Jobs Covenant as described in this paragraph; no other notice or cure periods shall apply thereto and if such default is not cured within such one-year period then the Compliance Period shall not be extended and an Event of Default shall exist without notice or opportunity to cure. If the Developer has not delivered a permitted Extension Notice then any default by the Developer of the Jobs Covenant shall constitute an Event of Default without notice or opportunity to cure. The Developer shall be entitled to deliver one Extension Notice. If the Developer has delivered an Extension Notice, then any subsequent default by the Developer of the Jobs Covenant shall constitute an Event of Default without notice or opportunity to cure.

(e) **Covenants Run with the Land; Remedy.** The covenants set forth in this **Section 8.06** shall run with the land and be binding upon any transferee. In the event of a default for any of the covenants in this **Section 8.06**, the City shall have the right to recapture the full amount of all City Funds previously paid or disbursed to the Developer for the Project if such default(s) is/are not cured during the applicable cure period, if any, and to exercise any other remedies described or referred to in this Agreement.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in **Section 10** hereof Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.09, 10.02 and 10.03** of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "**Department**"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this **Section 8.09**.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of 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. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and

reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 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 Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2013 and each December 31 thereafter throughout the Compliance Period. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of **Section 12** hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this **Section 8.15**); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-

Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws.

(a) Representation. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. The Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

8.18 Recording and Filing. 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 on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create a lien upon Developer or all or any portion of 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 (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c)

below; provided, that such real estate taxes must be paid in full when due. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(i) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(ii) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes. With respect to the Property or the Project, nothing in this Agreement shall prevent Developer or any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, during the Term of this Agreement, from seeking or authorizing any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect. Notwithstanding the foregoing, if at any time during the Term of this Agreement all or any portion of the Property or the Project is not exempt from real estate taxes (the "**Non-exempt Property**"), then the following provisions shall apply to the Non-exempt Property:

(i) Acknowledgment of Real Estate Taxes. Developer and the City shall negotiate in good faith to establish an Exhibit to be attached to this Agreement and containing (A) the total projected minimum assessed value of the Non-exempt Property ("**Minimum Assessed Value**") for the years noted on the exhibit; (B) the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Non-exempt Property for the years shown on the exhibit.

(ii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value for the applicable year as shown in the exhibit described in Section 8.19(c)(i).

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in the exhibit described in Section 8.19(c)(i).

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).

(d) Change in Use and Ownership. If applicable during the Term of this Agreement, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. After delivery of the notification to the Cook County Assessor via certified mail, return receipt requested, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office. Additionally, the provisions of this Section 8.19 do not prohibit a change in use of portions of the Property so long as the Developer is in compliance with the Operating Covenant as set forth in Section 8.06(a) hereof, including if such change in use results in Non-exempt Property thereafter being exempt from the payment of real estate taxes.

8.20 Annual Compliance Report. During the Compliance Period, the Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant

to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Green Initiatives. The Developer shall provide an affidavit documenting it has achieved at least fourteen (14) out of the maximum seventeen (17) possible points on the LEED Indoor Air Quality Certification, which are set forth in Exhibit F hereto, for each of the WHC and the ER Department.

8.23 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.20, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 Job Readiness Program. Developer shall undertake a job readiness program to work with the City, through DPD's Workforce Unit, to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of Developer's business on the Property.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of 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 the Final Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this **Section 10.01** shall be a basis for the City to pursue remedies under the provisions of **Section 15.02** hereof.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by Actual Residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

"Actual Residents of the City" shall mean persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

Developer shall cause or require the provisions of this **Section 10.02** to be included in all construction contracts and subcontracts related to the Project.

10.03. MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in **Exhibit H-2** hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this **Section 10.03** only, Developer (and any party to whom a contract is let by Developer in connection with the construction of the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this **Section 10.03** shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this **Section 10.03**. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this **Section 10.03**, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this **Section 10.03** to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this **Section 10.03**, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance, if any, the Planned Development and the Redevelopment Plan.

Without limiting any other provisions hereof, 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, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the Term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

- (a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," 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 Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this **Section 13.01** shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:

(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) during the Compliance Period, the sale or transfer of a majority of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend or permanently discontinue continued disbursement of City Funds or seek reimbursement of any City Funds paid. 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, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under **Section 8.06**, Developer shall be obligated to repay to the City all previously disbursed City Funds.

Upon the occurrence of an Event of Default because of failure to comply with **Section 8.01(j)(5)** (in the event of a sale or transfer of the Facility or any part thereof for any use other than a health care facility prior to the ten (10) year anniversary of the issuance of the Final Certificate), the Developer agrees to pay and remit to the City an amount equal to five percent (5%) of such sale, transfer, lease or other disposition based on the final executed settlement statement prepared in connection with such sale, transfer or other disposition, with such repayment amount not to exceed 110% of the total City Funds paid to the Developer. Payments to the City made pursuant to this **Section 15.02** are subject to the subordination provisions of the Master Indenture, relevant portions of which are included in **Exhibit M**.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless 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, 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.

Notwithstanding any other provision of this Agreement to the contrary:

- (a) the only cure periods, if any, applicable to the Developer's failure to comply with the Jobs Covenant are those set forth in Section 8.06;
- (b) there shall be no notice requirement or cure period with respect to an Event of Default arising from the Developer's failure to comply with the Operations Covenant; and
- (c) there shall be no notice requirement or cure period with respect to Events of Default described in Section 8.20 (with respect to filing the Annual Report).

SECTION 16. MORTGAGING OF THE PROJECT

That certain Mortgage and Security Agreement dated as of January 15, 2010 from the Developer, as mortgagor, to U.S. Bank National Association, as mortgagee, as supplemented and amended to the date hereof and as shall be amended and supplemented in the future is referred to herein as the "Existing Mortgage." The Existing Mortgage is the only mortgage or deed of trust in place as of the date hereof with respect to the Property or any portion thereof. No amendments or supplements to the Existing Mortgage shall be deemed to be a New Mortgage as defined hereinafter.

Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party

succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of the Final Certificate pursuant to **Section 7** hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD. After issuance of the Final Certificate, if a mortgagee or other permitted transferee executes a subordination agreement in which it subordinates its New Mortgage to the covenants contained in Section 8.02, Section 8.06, and Section 8.19 of this agreement, then City consent is not required for the New Mortgage.

SECTION 17. 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) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Swedish Covenant Hospital President and CEO 5145 N. California Ave. Chicago, IL 60625</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Senior Vice President/Chief Operating Officer Swedish Covenant Hospital 5145 N. California Ave. Chicago, IL 60625</p> <p>and to</p> <p>Vice President, Legal Affairs and General Counsel Swedish Covenant Hospital 5145 N. California Ave. Chicago, IL 60625</p>

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 either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 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 the Redevelopment Plan without the consent of any party hereto. 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 18.01** shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in **Sections 10.02 and 10.03** hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than ninety (90) days, including but not limited to extension of the time periods for completion of the WHC Phase or ER Phase more than ninety (90) days past the timeframes set forth in **Section 3.04** hereof.

18.02 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.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to 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 Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or 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 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 shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision 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.

18.06 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.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City 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.

18.08 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.

18.09 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.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

18.11 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.

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

18.13 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 Initial Certificate and the Final Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. 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. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Section 8.02** (Covenant to Redevelop), **Section 8.06** (Jobs Covenant), **Section 8.19** (Real Estate Provisions), **Section 8.20** (Annual Compliance Report), **Section 8.23** (FOIA and Local Records Act Compliance) and **Section 8.25** (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of 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.

18.16 Force Majeure. Neither the City nor 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, immediately 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.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

18.18 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.

18.19 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.


18.20 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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 that creates a Financial Interest, 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 that creates a Financial Interest, 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 that creates a Financial Interest, 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 shall 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.

18.21 Subordination Agreement. Upon the request of a lender providing Lender Financing if required pursuant to the Master Indenture, the City shall agree to subordinate this Redevelopment Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

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

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.

SWEDISH COVENANT HOSPITAL,
an Illinois not-for-profit corporation

By: 
Mark Newton
President and CEO

CITY OF CHICAGO

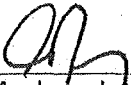
By: _____
Andrew J. Mooney
Commissioner
Department of Planning and Development

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.

SWEDISH COVENANT HOSPITAL,
an Illinois not-for-profit corporation

By: _____
Mark Newton
President and CEO

CITY OF CHICAGO

By: _____

Andrew J. Mooney
Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Gretchen M. Schilling a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Mark Newton, personally known to me to be the President and CEO of Swedish Covenant Hospital, an Illinois not-for-profit corporation (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 signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14th day of October, 2014.

Gretchen M. Schilling
Notary Public

My Commission Expires 6.17.16

(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Julie A Bengston, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, 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 he signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his 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 1st th day of October, 2014.

Julie A Bengston
Notary Public

My Commission Expires _____

(SEAL)

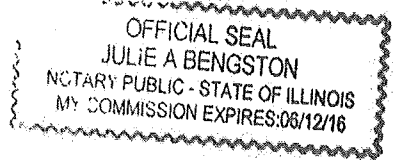


EXHIBIT A
REDEVELOPMENT AREA

See Attached.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed
on page 76810 of this *Journal*.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".

*Foster And California Tax Increment Financing Redevelopment
Project Area Legal Description.*

That part of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, all in the City of Chicago, Cook County, Illinois, described as follows: beginning at the intersection of the north right-of-way line of Foster Avenue and the west right-of-way line of Francisco Avenue; thence east along said north right-of-way line of Foster Avenue to the southwest corner of Lot 608 in William H. Britigan's Budlong Woods Golf Club Addition Number 2, being a subdivision of part of the northwest quarter of Section 12 aforesaid; thence north along the west line of Lot 608 and its northerly extension to the north line of a public alley; thence east along the north line of the public alley to the southeast corner of Lot 588 in William H. Britigan's Budlong Woods Golf Club Addition Number 2; thence north along the east line of Lot 588 and its northerly extension to the north right-of-way line of Farragut Avenue; thence east along the north right-of-way line of Farragut Avenue to the east right-of-way line of California Avenue; thence south along the east right-of-way line of California Avenue to the north right-of-way line of Foster Avenue; thence east along the north right-of-way line of Foster Avenue to the southeast corner of Lot 271 in William H. Britigan's Budlong Woods Golf Club Addition, being a subdivision in the northeast quarter of Section 12 aforesaid; thence north along the east line of Lot 271 and its northerly extension to the intersection with the westerly extension of the north line of a public alley being the first public alley lying north of Foster Avenue; thence east along the northerly line of the public alley to the southeast corner of Lot 251 in William H. Britigan's Budlong Woods Golf Club Addition; thence north along the east line of Lot 251 and its northerly extension to the north right-of-way line of Farragut Avenue; thence east along the north right-of-way line of Farragut Avenue to the east right-of-way line of Washtenaw Avenue; thence south along the east right-of-way line of Washtenaw Avenue to the southwest corner of Lot 246 in William H. Britigan's Budlong Woods Golf Club Addition, being the north line of a public alley; thence east along the north line of the public alley to the west right-of-way line of Rockwell Street; thence continuing east to the east line of Rockwell Street and the north

line of a public alley being the southwest corner of Lot 69 in Oliver L. Salinger and Company's Lincoln Avenue Subdivision in the northeast quarter of Section 12 aforesaid; thence east along the north line of the public alley to the southeast corner of Lot 76 in Oliver L. Salinger and Company's Lincoln Avenue Subdivision, being the westerly line of a public alley; thence southerly along the westerly line of the public alley to the north right-of-way line of Foster Avenue; thence southerly to the intersection of the south right-of-way line of Foster Avenue and the east line of Lot 14 in Anton Conrad's Subdivision, being in the southeast quarter of Section 12 aforesaid; thence southerly along the east line of Lot 14 to the southeast corner of said Lot 14; thence west along the south line of Lot 14 and its westerly extension to the southwest corner of Lot 1 in Anton Conrad's Subdivision; thence south to the northeast corner of Lot 8 in George Klier's Resubdivision in the west half of the southeast quarter of Section 12 aforesaid; thence west along the north line of Lot 8 in George Klier's Resubdivision and its westerly extension to the northwest corner of Lot 5 in Widmer's Subdivision, being in the southeast quarter of Section 12 aforesaid; thence south along the west line of Lot 5 and its southerly extension to the south right-of-way line of Winona Street; thence west along the south right-of-way line of Winona Street to the northwest corner of Lot 20 in part of the Town of Bowmanville, being a subdivision in the southeast quarter of Section 12 aforesaid; thence south along the west line of Lot 20 and its southerly extension to the south right-of-way line of Carmen Avenue; thence west along the south right-of-way line of Carmen Avenue to the east right-of-way line of California Avenue; thence south along the east right-of-way line of California Avenue to the intersection with the easterly extension of the south line of Lot 2 in Charles F. Henry's Ravenswood Park Subdivision, being in the southwest quarter of Section 12 aforesaid; thence west along the easterly extension of the south line of Lot 2 to the west line of a public alley lying westerly of said Lot 2; thence north along the west line of the public alley to the southeast corner of Lot 19 in Charles F. Henry's Ravenswood Park Subdivision; thence west along the south line of Lot 19 and its westerly extension to the west right-of-way line of Mozart Street; thence north along the west right-of-way line of Mozart Street to the south right-of-way line of Carmen Avenue; thence west along the south right-of-way line of Carmen Avenue to the west right-of-way line of Francisco Avenue; thence north along the west right-of-way line of Francisco Avenue to the north right-of-way line of Foster Avenue, said point being the point of beginning.

Exhibit "B".

*Foster And California Tax Increment Financing
Redevelopment Project Area
Street Location.*

The area is generally bounded by Francisco Avenue on the west, Carmen Avenue on the south, the north/south alley west of Lincoln Avenue on the east, and Farragut Avenue on the north.

EXHIBIT B

PROPERTY

PINs: 13-12-306-012
13-12-400-001

Legal Description and addresses:

PARCEL 1 (COMMONLY KNOWN AS MAIN BUILDING - 5145 N. CALIFORNIA, EAST WING - 2740 W. WINONA, AND NELSON HALL - 2745 W. FOSTER):

LOTS 9, 10 AND LOT 11 (EXCEPT THE WEST 33 FEET OF SAID LOT 11)(AND EXCEPT THAT PART OF SAID LOTS 9, 10, AND 11 TAKEN FOR ROAD PURPOSES) IN THAT PART OF THE TOWN OF BOWMANVILLE WHICH IS INCLUDED WITHIN THE BOUNDARIES OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TOWN OF BOWMANVILLE BEING A SUBDIVISION BY JESSE B. BOWMAN OF THE EAST HALF OF THE SOUTHEAST QUARTER AND OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 98 OF MAPS, PAGE 20, IN COOK COUNTY, ILLINOIS.

PARCEL 2 (COMMONLY KNOWN AS GALTER MEDICAL PAVILION – 5140 N. CALIFORNIA:

THAT PART OF BLOCK 1 LYING NORTH OF THE NORTH LINE OF VACATED WINONA STREET, EXCEPT (A) THE WEST 284.90 FEET OF THE SOUTH 171 FEET, (B) THOSE PARTS FALLING IN FOSTER AND FRANCISCO AVENUES AND (C) THE WEST 298.12 FEET LYING NORTH OF THE SOUTH 171 FEET) AND (D) THE FOLLOWING DESCRIBED PARCEL: BEGINNING AT A POINT 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET AND 284.90 FEET EAST OF THE WEST LINE OF BLOCK 1 AFORESAID; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1, A DISTANCE OF 19.52 FEET TO THE NORTH LINE OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 13.23 FEET TO THE EAST LINE OF THE WEST 298.12 FEET OF BLOCK 1; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 298.12 FEET OF BLOCK 1, A DISTANCE OF 161.48 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF WEST FOSTER AVENUE; THENCE EAST, ALONG THE SOUTH RIGHT-OF-WAY LINE OF WEST FOSTER AVENUE, A DISTANCE OF 27.98 FEET TO THE EAST LINE OF THE WEST 326.12 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 326.12 FEET OF BLOCK 1 A DISTANCE OF 85.02 FEET TO THE NORTH LINE OF THE SOUTH 247.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 247.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 40.88 FEET TO THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1 A DISTANCE OF 96.0 FEET TO THE NORTH LINE OF THE SOUTH 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE WEST, ALONG THE NORTH LINE OF THE SOUTH 151.48 FEET OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED

WINONA STREET, A DISTANCE OF 82.10 FEET TO THE POINT OF BEGINNING AND (E) THE FOLLOWING DESCRIBED PARCEL: BEGINNING AT A POINT 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET AND 284.90 FEET EAST OF THE WEST LINE OF BLOCK 1 AFORESAID; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 151.48 FEET OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 82.10 FEET TO THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1, A DISTANCE OF 81.48 FEET TO THE NORTH LINE OF THE SOUTH 70.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 70.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 62.00 FEET TO THE EAST LINE OF THE WEST 429.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 429.00 FEET OF BLOCK 1, A DISTANCE OF 70.00 FEET TO THE NORTH LINE OF VACATED WINONA STREET; THENCE WEST, ALONG THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 144.10 FEET TO THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1, A DISTANCE OF 151.48 FEET TO THE POINT OF BEGINNING, ALL IN JACKSON'S SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 11 AND THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Costs of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings:	\$10,559,798*
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*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed \$4,600,000.

NOTE: All references to categories of TIF Funded Improvements described in this Exhibit are subject to the limitations and requirements of the TIF Act.

EXHIBIT D

JOBS AND OCCUPANCY CERTIFICATE

[Not Included for Recording.]

EXHIBIT E
CONSTRUCTION CONTRACT
WHC PHASE
[Not Included for Recording.]

EXHIBIT F

GREEN INITIATIVES

[Not Included for Recording.]

EXHIBIT G

PERMITTED LIENS

Terms used herein shall have the definition assigned to them in the Master Indenture

"*Permitted Encumbrances*" means the Master Indenture, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

(a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or, programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(b) any Lien on Property other than the Facilities if, at the time the Indebtedness secured thereby is issued or incurred by any Member, or in the case of Property acquired subject to an existing Lien, at the time of such acquisition, the aggregate amount remaining unpaid on the Indebtedness secured thereby (whether or not assumed by the Member) shall not exceed the fair market value or (if such Property has been purchased) the lesser of the acquisition price or the fair market value of the Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(c) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse, provided that the principal amount of Indebtedness secured by any such Lien does not exceed the aggregate sales price of such accounts receivable received by the Member selling the same by more than 15%;

(d) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member;

(e) any Lien on the Property of any Member permitted under the provisions of Section 418 hereof;

(f) any Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

(g) leases which relate to Property of the Obligated Group which is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, food service facilities, gift shops and radiology or other hospital-based specialty services, pharmacy and similar departments; and any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the

equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm's-length transaction;

(h) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 406 hereof;

(i) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(j) any mechanic's, laborer's, materialman's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question, has been due for less than 31 days, or if such Lien is being contested in accordance with the provisions of the Master Indenture;

(k) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and which do not apply to Property which has been deposited as part of a plan to secure Indebtedness;

(l) zoning laws and similar restrictions which are not violated by the Property affected thereby;

(m) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(n) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(o) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(p) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(q) Liens on moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly

housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents;

(r) Liens on Excluded Property;

(s) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(t) any security interest in the Rebate Fund, any depreciation reserve, debt service or interest reserve, debt service or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer or the holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture or Related Loan Document or the holder of any related Commitment Indebtedness;

(u) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures Commitment Indebtedness and only Commitment Indebtedness; and

(v) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, as are set forth in Exhibit A to this Master Indenture, and which (i) in the case of Property owned by the Corporation on the date of execution of the Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member.

EXHIBIT H-1

PROJECT BUDGET

Women's Center Hard Costs

Concrete	\$3,000
Mechanical Systems	\$980,000
Roof Thermal and Moisture Protection	\$600,000
Doors and Windows	\$325,711
Finishes	\$725,000
Construction Management	\$13,529
General Conditions	\$275,606
Metals	\$25,000
Electrical	\$748,000
Woods and Plastics	\$630,000
Demolition	\$125,000
Hard Cost Contingency	\$139,500
Total- Women's Soft Costs	\$4,590,346

Women's Center Soft Costs

Architecture and Engineering	\$536,411
General Contractor Fee	\$76,100
Artwork Allowance	\$59,150
Equipment	\$1,496,850
Furniture Allowance	\$416,779
Signage Allowance	\$33,450
IT Equipment	\$234,005
Miscellaneous Specialties	\$85,054
Testing	\$60,000
Permits	\$47,741
Contingency	\$381,794
Total- Women's Soft Costs	\$3,427,334

EXHIBIT H-1

PROJECT BUDGET (Continued)

Emergency Department Hard Costs

Elevators and Escalators	\$65,000
Concrete	\$77,000
Mechanical Systems	\$1,600,000
Roof Thermal and Moisture Protection	\$19,650
Doors and Windows	\$450,466
Finishes	\$901,655
Construction Management	\$26,200
General Conditions	\$392,589
Metals	\$34,060
Electrical	\$1,554,000
Woods and Plastics	\$870,000
Demolition	\$336,012
Hard Cost Contingency	\$458,500
Total- Emergency Department Hard Costs	\$6,785,132

Emergency Department Soft Costs

Architecture and Engineering	\$1,080,515
General Contractor Fee	\$138,000
Equipment	\$950,000
Furniture Allowance	\$675,000
Signage Allowance	\$138,330
IT Equipment	\$285,000
Miscellaneous Specialties	\$65,695
Site Survey	\$65,000
Testing	\$35,000
Permits	\$144,454
Overhead Expenses	\$18,000
Total- Emergency Department Soft Costs	\$3,594,994

Total Project Costs **\$18,397,806**

EXHIBIT H-2

MBE/WBE BUDGET

Women's Center- Hard Costs of Rehabilitation	\$ 4,450,846
Women's Center- Soft Costs, Architecture & Engineering	<u>\$ 536,411</u>
Women's Center MBE/WBE Budget	\$4,987,257

Women's Center MBE Total at 24%	\$ 1,196,941
Women's Center WBE Total at 4%	\$ 199,490

Emergency Department- Hard Costs of Rehabilitation	\$ 6,326,632
Emergency Department- Soft Costs, Architecture & Engineering	<u>\$ 1,080,515</u>
Emergency Department MBE/WBE Budget	\$7,407,147

Emergency Department MBE Total at 24%	\$ 1,777,715
Emergency Department WBE Total at 4%	\$ 296,285

Total MBE/WBE Project Budget	\$12,394,404
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Total MBE Total at 24%	\$ 2,974,656
Total WBE Total at 4%	\$ 495,775

EXHIBIT I
APPROVED PRIOR EXPENDITURES

[Not Included for Recording.]

EXHIBIT J
OPINION OF DEVELOPER'S COUNSEL

[Not Included for Recording.]

EXHIBIT L
REQUISITION FORM

[Not Included for Recording.]

EXHIBIT M

FORM OF SUBORDINATION AGREEMENT

[Not Included for Recording.]

EXHIBIT N
FORM OF PAYMENT BOND

[Not Included for Recording.]

CITY OF CHICAGO
JOINT REVIEW BOARD

COPY

Report of proceedings of a hearing before the
City of Chicago, Joint Review Board held on January 10,
2014, at 10:40 a.m. City Hall, Room 1003-A, Conference Room,
Chicago, Illinois, and presided over by Ms. Elizabeth Tomlins.

PRESENT:

MS. ELIZABETH TOMLINS, CHICAGO PARK DISTRICT
MS. COLLEEN STONE, CITY OF CHICAGO
MR. COURTNEY POGUE,
CHICAGO BUREAU OF ECONOMIC DEVELOPMENT, COOK COUNTY
MS. CONSTANCE KRAVITZ, CITY COLLEGES OF CHICAGO
MS. TRICIA MARINO-RUFFOLO,
DEPARTMENT OF HOUSING & ECONOMIC DEVELOPMENT
MS. JOANNE WORTHY, CHICAGO JRB COORDINATOR

ALSO PRESENT:

MR. WILLIAM JAMES, CONSULTANT, CAMIROS
MR. IRVIN THOMPSON, REP. FOR ALDERMAN AUSTIN
MR. GUS HERITOS, PUBLIC MEMBER
MS. ANN MORONEY,
CONSULTANT, JOHNSON RESEARCH GROUP

1 ~~need to introduce the Board so we can have them in the~~
2 ~~minutes.~~

3 ~~MS. TOMLINS: Okay. I'll start. My name is~~
4 ~~Elizabeth Tomlins. I'm with the Chicago Park District.~~

5 ~~MS. KRAVITZ: My name is Connie Kravitz, I'm~~
6 ~~with City Colleges of Chicago.~~

7 ~~MR. THOMPSON: My name is Irvin Thompson with~~
8 ~~Alderman Carrie Austin.~~

9 ~~MR. ROGUE: Courtney Rogue, Cook County.~~

10 ~~MS. STONE: Colleen Stone representing the~~
11 ~~City of Chicago.~~

12 ~~MS. TOMLINS: Okay. So, we'll start now with~~
13 ~~the beginning of the Foster & California --~~

14 ~~MS. WORTHY: I'm Joanne Worthy. I am the~~
15 ~~Joint Review Board Coordinator for the City of Chicago.~~
16 ~~And we are going to now take a brief break because we~~
17 ~~have a different public member for the next meeting.~~

18 ~~MS. TOMLINS: There we go.~~

19 ~~(Off the record.)~~

20 MS. TOMLINS: For the record, my name is
21 Elizabeth Tomlins, I'm the representative of the Chicago
22 Park District which under Section 11-74.4-5 of the Tax
23 Increment Allocation Redevelopment Act is one of the

1 statutorily designated members of the Joint Review
2 Board. Until the election of a chairperson, I will
3 moderate the Joint Review Board meeting. I'm going to
4 go very quickly.

5 This meeting is to review the proposed
6 Foster & California Tax Increment Financing District.
7 The date of this meeting was announced at and set by the
8 Community Development Commission of the City of Chicago
9 at its meeting of December 10th, 2013.

10 Notice of this meeting of the Joint
11 Review Board was also provided by certified mail to each
12 taxing district represented on the Board which includes
13 the Chicago Board of Education, the Chicago Community
14 Colleges District 508, the Chicago Park District, Cook
15 County, and the City of Chicago. Public notice of this
16 meeting was also posted as of Wednesday, January 8th,
17 2014 in various locations throughout the City Hall.

18 When a proposed redevelopment plan would
19 result in a displacement of residents from 10 or more
20 inhabited residential units, or would include 75 or more
21 inhabited residential units, the TIF Act requires that
22 the Public Member of the Joint Review Board must reside
23 in the proposed redevelopment project area. In

1 addition, if the municipality's housing impact study
2 determines that the majority of the residential units in
3 the proposed redevelopment project area are occupied by
4 very low, low, or moderate income households as defined
5 in Section 3 of the Illinois Affordable Housing Act, the
6 Public Member must be a person who resides in a very
7 low, low, or moderate income housing within the proposed
8 redevelopment project area.

9 With us today is Gus Heritos. Hi!

10 MR. HERITOS: Hi.

11 MS. TOMLINS: Are you familiar with the
12 boundaries of the proposed Foster & California Tax
13 Increment Financing Redevelopment Project Area?

14 MR. HERITOS: Yes.

15 MS. TOMLINS: What is the address of your
16 primary residence?

17 MR. HERITOS: 2701 West Carmen Avenue.

18 MS. TOMLINS: Is such address within the
19 boundaries of the proposed Foster & California Tax
20 Increment Financing Redevelopment Project Area?

21 MR. HERITOS: Yes.

22 MS. TOMLINS: Mr. Heritos, are you willing to
23 serve as the Public Member for the Joint Review Board

1 for the proposed Foster & California Tax Increment
2 Financing Redevelopment Project Area?

3 MR. HERITOS: Yes.

4 MS. TOMLINS: I will entertain a motion that
5 Gus Heritos be selected as the Public Member. Is there
6 a motion?

7 MR. POGUE: There is a motion.

8 MS. TOMLINS: Is there a second?

9 MS. KRAVITZ: Second.

10 MS. TOMLINS: All in favor, please vote by
11 saying aye.

12 (Chorus of ayes.)

13 MS. TOMLINS: All opposed, please vote by
14 saying no.

15 (No response.)

16 MS. TOMLINS: Let the record reflect that Gus
17 Heritos has been selected as the Public Member for the
18 proposed Foster & California Tax Increment Financing
19 Redevelopment Project Area. Thank you for being here.

20 Our next order of business is to select a
21 chairperson for this Joint Review Board. Are there any
22 nominations?

23 MS. KRAVITZ: I am going to nominate Beth this

1 time.

2 MS. TOMLINS: Is there a second?

3 MS. STONE: I'll second it.

4 MS. TOMLINS: It's amazing, you guys.

5 MS. KRAVITZ: I know.

6 MS. TOMLINS: Let the record reflect, there
7 are no other nominations. All in favor, please vote by
8 saying aye.

9 (Chorus of ayes.)

10 MS. TOMLINS: All opposed, please vote by
11 saying no.

12 (No response.)

13 MS. TOMLINS: Let the record reflect that
14 Elizabeth Tomlins has been elected as chairperson and
15 will now serve as the chairperson for the remainder of
16 this meeting.

17 All right. As I mentioned, we will be
18 reviewing the plan for the proposed Foster & California
19 Tax Increment Financing District proposed by the City of
20 Chicago. Staff of the City's Departments of Planning
21 and Development, and Law, and other departments have
22 reviewed the plan which was introduced to the City's
23 Community Development Commission on December 10, 2013.

1 We will listen to a presentation by the
2 consultants on the plan. Following the presentation, we
3 can address any questions that the members might have
4 for the consultant or City staff.

5 An amendment to the TIF Act requires us
6 to base our recommendation to approve or disapprove the
7 proposed Foster & California Tax Increment Financing
8 District on the basis of the area and the plan
9 satisfying the plan requirements, the eligibility
10 criteria defined in the TIF Act, and the objectives of
11 the TIF Act. If the Board approves the plan, the Board
12 will then issue an advisory non-binding recommendation
13 by the vote of the majority of those members present and
14 voting. Such a recommendation shall be submitted to the
15 Council within 30 days after the Board meeting. Failure
16 to submit such recommendation will be deemed to
17 constitute approval by the Board.

18 If the Board disapproves the plan, the
19 Board must issue a written report describing why the
20 plan and area failed to meet one or more of the
21 objectives of the TIF Act, and both the plan
22 requirements and the eligibility criteria of the TIF
23 Act. The City will then have 30 days to resubmit or

1 revise the plan.

2 The Board and the City must also confer
3 during this time to try and resolve the issues that led
4 to the Board's disapproval. If such issues cannot be
5 resolved, the revised plan is disapproved. The City may
6 proceed with the plan but the plan can be approved only
7 with three-fifths of City Council, excluding positions
8 of members that are vacant and those members that are
9 ineligible to vote because of conflicts of interest.

10 All right. We are ready for the
11 presentation. The consultant is Johnson Research Group,
12 we have Ann here to give the presentation.

13 MS. MORONEY: Good morning. As Beth said, my
14 name is Ann Moroney and I'm with Johnson Research Group.
15 We are the consultants that have assisted the City of
16 Chicago in preparing this redevelopment plan project.

17 Today's project area is called the Foster
18 & California TIF. It's located along the Foster Avenue
19 frontage in the Lincoln Square community area, just on
20 the western edge of that community area, and it touches,
21 to the west is the Albany Park area, and to the north is
22 the North Center area. It's entirely in the 40th Ward
23 and it's adjacent to two TIF Districts on the east end,

1 Lincoln Avenue, and Western Avenue, north.

2 The boundaries of the project area go
3 from Francisco on the west, goes as far north as
4 Farragut on the north, Carmen Avenue on the south, and
5 the alley just west of Lincoln Avenue on the east end.
6 It is 24.35 acres in size. And it contains 197 tax
7 parcels, 8 tax blocks, 51 buildings. And it's largely
8 residential, public and institutional with the
9 residential almost predominantly located to the east of
10 the project area, a public school in the center, and the
11 rest of the uses are institutional in that they are
12 owned and operated by Swedish Covenant Hospital with a
13 few other private uses to the north.

14 The project area is considered a
15 reevaluated kind of area on the basis of a conservation
16 area under the law which, as you may know, requires the
17 age threshold criteria to be present. That means that
18 50 percent or more of the buildings have to be 35 years
19 of age or older. We found that 84 percent of the
20 buildings, or 43 of the 51 buildings were 35 years of
21 age or older.

22 And 3 of some 13 factors have to be
23 present in the project area, and we found that 5 factors

1 are present. These include obsolescence, overcrowding
2 or excessive land coverage, inadequate utilities, lack
3 of community planning, and declining or lagging EAV.
4 Those are the 5 factors that we found to be present and
5 meaningfully distributed throughout the project area.

6 And in addition, we have what we call
7 "but for" findings, or the lack of investment overall in
8 the project area. And that's evidenced by an additional
9 two factors that were present but not distributed widely
10 enough. Those include structures below code and
11 deterioration that were present in some major buildings
12 but not throughout the area.

13 We also identified that the area EAV
14 wasn't just lagging behind the City of Chicago, it
15 declined in three of the last five years. And then the
16 area is federally designated as a medically under-served
17 area or population. And its also designated by the
18 census tracts as a healthcare professional shortage area
19 which the Swedish Covenant Hospital, by virtue of their
20 location, is one of those two federally designated areas
21 that were identified in the area.

22 MS. TOMLINS: What do you mean by medically
23 under-served area?

1 MS. MORONEY: It means that there's a shortage
2 of doctors and medical facilities.

3 MS. TOMLINS: Which hospital?

4 MS. MORONEY: The population around it is very
5 dense or, you know, the population it serves is very
6 dense. And the number of hospitals that have closed in
7 the last five years including Edgemoor, Ravenswood, the
8 number of other hospitals that would provide some relief
9 have closed. And so, just by virtue of population and
10 the number of facilities, that's --

11 MR. POGUE: Because you've put up for the
12 federal designation.

13 MS. STONE: Did we?

14 MR. POGUE: Yes.

15 MS. MORONEY: No, that's, the hospital was
16 designated that. I'm not sure if they sought it out or
17 if it's something that's designated, you know, on their
18 request.

19 MS. STONE: So, we have no other hospitals
20 smack dab in the middle of the district. It's the lack
21 of a larger geography of a hospital --

22 MS. MORONEY: Right, it's a much wider area, I
23 mean, and it's based on census tract and income and

1 population, and the size of the facility and the number
2 of facilities able to serve those communities.

3 So, as part of our planning, we looked at
4 the land use pattern, we looked at the goals and
5 objectives for the next 23 years of this TIF. And the
6 plan and the goals for this project area are really to
7 reinforce the land use pattern. There is a strong
8 concentration of residential here, and that's proposed
9 to remain. The institutional uses need strengthening
10 and improving for long-term viability, so those should
11 remain. And there are some vacant areas that are
12 parking lots that are potentially open to redevelopment
13 should opportunities arise.

14 But largely, the plan is to reinforce the
15 existing pattern. There is no change or no plan to
16 change the current underlying zoning. And the uses for
17 the institutional, residential and public should stay in
18 place.

19 The goals and objectives for the plan and
20 for the area are really to improve, modernize the
21 facility, to eliminate some of the factors that cause it
22 to be a conservation area. Some of the inefficiencies
23 of their layout that has happened by developing the

1 hospital over time has created inefficiencies. And the
2 hope is to alleviate some of those problems.

3 Because of the population they serve, the
4 hospital has identified a need to expand access to
5 healthcare to the population which is very ethnically
6 diverse. And that's another one of the goals for the
7 area. And then of course to encourage the maintenance
8 and improvement of the residential area to maintain that
9 stability and that strength at the east end of the
10 project area.

11 One of the slides in your handout is a
12 picture of the hospital campus. And you can see the
13 inefficiency of the layout in that project, or in that
14 campus. A woman, for instance, who has to go for
15 multiple services would have to go to, could potentially
16 go to seven different facilities in trying to find a
17 doctor. And some of the ethnic groups with women can't
18 be seen by a man make that that much more challenging.
19 So, that's one of the challenges that the institution
20 faces.

21 So, then moving on to the other aspect of
22 the project area, the study that we did, the area does
23 have 75 or more residential units. So, we did what's

1 called a housing impact study to see if there would be
2 any impact for residential uses as a result of any of
3 the activities, redevelopment activities that could take
4 place in this.

5 So, we looked at two things, or we looked
6 at three things. We looked at whether there was an
7 acquisition plan. There is no acquisition plan that
8 would displace a resident. We looked at whether there
9 was any dilapidated buildings, a demolition or a rehab
10 which would cause displacement of any of those
11 residents, and that is not taking place.

12 And then, last, we looked at the change
13 in land use. And there are two properties that are
14 owned by the hospital on Carmen or, you know, just south
15 of Carmen. You can even see them at the bottom of your
16 project area. One is an office use, and the other one
17 is actually in residential use, an employee of the
18 hospital lives there. But it's possible that those may
19 be used as daycare facilities in the future and that
20 could result in displacement. So, under the TIF Act,
21 based on this assessment, a full housing impact study
22 was not needed or undertaken, but that kind of gives you
23 a snapshot of the project area.

1 Lastly, I don't think we have a slide in
2 there, is the project budget. The EAV of the area right
3 now is \$15,000,000, so that's the aggregate equalized
4 assessed value for all the properties in the project
5 area. And after 23 years, we anticipate or we did some
6 calculations for if you did build out the parking lots
7 over here and if you look at sort of how you replace
8 them, what kind of EAV could you anticipate after 23
9 years, and we calculated or projected \$26,000,000 in
10 equalized assessed value, and that translated to about a
11 \$10,000,000 budget. That represents an overestimate of
12 what could potentially be spent in the area but it's not
13 an indication that it will be.

14 That really is the sum of the project
15 area, and I'd be happy to answer your questions.

16 MS. TOMLINS: How is the budget being broken
17 out into categories of how it will be spent in the area?
18 Projected to be spent in the area?

19 MS. MORONEY: So, in the project or in your --
20 sorry, I didn't have it in there.

21 MS. KRAVITZ: Was it covered?

22 MS. TOMLINS: Yes.

23 MS. MORONEY: Sorry. So, we have identified

1 \$500,000,000 for administration and studies.

2 MS. STONE: And what page is that on?

3 MS. MORONEY: Page 22 of the redevelopment
4 plan.

5 MR. POGUE: \$500,000,000 or \$500,000?

6 MS. MORONEY: Sorry, \$500,000. So, we have
7 \$500,000 for analysis and administration. Property
8 assembly, that could include site prep/acquisition, \$1.2
9 million. Rehab of existing buildings at \$5,000,000.
10 Public works or improvements including streets,
11 utilities, parks, and office space at \$2,000,000.
12 Relocation costs at \$200,000. Job training, retraining,
13 welfare and work programs, \$500,000. Daycare services,
14 \$400,000. And inter-subsidy costs of \$500,000.

15 The City is not tied to, they may move
16 within budget line items. This is sort of a rough
17 breakout of the costs.

18 MR. POGUE: Is the hospital tax-exempt or
19 taxed?

20 MS. MORONEY: Actually they pay taxes. It's
21 broken out by income-producing or for-profit entities,
22 so like a doctor's office located within the building
23 versus an emergency room which is a non-profit part of

1 the hospital. So, they have the piecemeal tier.

2 MR. POGUE: So, they have two classifications
3 from a Cook County standpoint, being a class 4, not-for-
4 profit, or class 5?

5 MS. MORONEY: Well, they are class 4, but they
6 have to go through a process in which they sort of carve
7 out the pieces, you know, they say this many square feet
8 are for profit, this many square feet are non-profit.
9 They have to go down the rest of the process they have
10 to go through. So, they do pay some taxes. And it's
11 the same for the industrial, commercial or any entity.
12 Yes?

13 MS. STONE: I was assuming they weren't paying
14 any taxes, so that's better than none.

15 MS. MORONEY: Yes. Right.

16 MS. KRAVITZ: Like water or sewer or more than
17 that.

18 MS. TOMLINS: And so, what is the hospital's
19 plan for redevelopment?

20 MS. MORONEY: They're working right now with
21 the City of Chicago to work on a redevelopment
22 agreement. Nothing has been brought to the CDC at this
23 point, but they have some improvements to the emergency

1 department. And they have some improvements or some
2 renovations for a women's clinic that would address the
3 inefficiencies you've seen.

4 MS. TOMLINS: Any other questions? Yes? No
5 questions? All right. If there are no further
6 questions, I will entertain a motion that this Joint
7 Review Board finds the proposed Foster & California Tax
8 Increment Financing Redevelopment Project Area satisfies
9 the redevelopment plan requirements under the TIF Act
10 and the eligibility criteria defined in Section 11-74.4-
11 3 of the TIF Act and the objectives of the TIF Act, and
12 that based on such findings approve such proposed plan
13 under the TIF Act. Is there a motion?

14 MS. STONE: So moved.

15 MS. TOMLINS: Is there a second?

16 MR. POGUE: There's a second.

17 MS. KRAVITZ: Wait for it.

18 MS. TOMLINS: Is there any further discussion?

19 If not, all in favor, please vote by saying aye.

20 (Chorus of ayes.)

21 MS. TOMLINS: All opposed, please vote by
22 saying no.

23 (No response.)

1. MS. TOMLINS: Let the record reflect the Joint
2 Review Board's approval of the proposed Foster &
3 California Tax Increment Financing Redevelopment Project
4 Area under the TIF Act. And we are adjourned.

5 (Whereupon the meeting adjourned
6 at 11:04 a.m.)

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

I, ROBERT LUTZOW, depose and say that I am an direct court reporter doing business in the State of Illinois; that I reported verbatim the foregoing proceedings and that the foregoing is a true and correct transcript to the best of my knowledge and ability.

Robert Lutzow
ROBERT LUTZOW

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 17th DAY OF
JANUARY, A.D. 2014.

[Signature]
NOTARY PUBLIC

OFFICIAL SEAL
RONALD N. LEGRAND, JR.
Notary Public - State of Illinois
My Commission Expires Oct 03, 2014