

88-50-766-31



1130422056

Doc#: 1130422056 Fee: \$216.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/31/2011 01:45 PM Pg: 1 of 91

RESURRECTION UNIVERSITY
REDEVELOPMENT AGREEMENT

BY AND AMONG
THE CITY OF CHICAGO,
SAINTS MARY AND ELIZABETH
MEDICAL CENTER
AND
RESURRECTION UNIVERSITY

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

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* indicates which exhibits are to be recorded.

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

**RESURRECTION UNIVERSITY
REDEVELOPMENT AGREEMENT**

This Resurrection University Redevelopment Agreement (this "**Agreement**") is made as of this 31st day of October, 2011, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development or any successor department thereto ("**HED**"), Saints Mary and Elizabeth Medical Center, an Illinois not for profit corporation ("**SMEMC**") and Resurrection University, an Illinois not for profit corporation ("**Resurrection University**" and, together with **SMEMC**, the "**Developer**").

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 June 27, 2001: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the Humboldt Park Commercial Redevelopment Project Area;" (2) "An Ordinance of the City of Chicago, Illinois Designating the Humboldt Park Commercial Redevelopment Project Area as a Tax Increment Financing District;" and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Humboldt Park Commercial Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items (1)-(3) collectively referred to herein as the "**TIF Ordinances**"). The redevelopment plan approved by the TIF Ordinances is referred to herein as the "**Redevelopment Plan**". The redevelopment project area created by the TIF Ordinances is referred to herein as the "**Redevelopment Area**" and is legally described in **Exhibit A** hereto.

D. The Project: SMEMC owns certain property located within the Redevelopment Area at 1431 North Claremont Avenue, Chicago, Illinois 60622 and legally described on **Exhibit B** hereto (the "**Property**"), which has been improved with a hospital structure (the "**Building**") and associated parking (and together with the Building, the "**Facility**") which is operated by the Developer. Within the time frames set forth in **Section 3.01** hereof, the Developer shall commence and complete the renovation of (i) portions of the first, sixth, seventh, eighth and tenth floors of the Building to provide classroom and lab spaces, conference rooms, offices, a cafeteria and a student lounge for use as a nursing and other healthcare related higher education facility, and (ii) the parking lot and existing parking structure to create approximately forty-one (41) additional parking spaces, add landscaping, and improve lighting and storm water management capacity. Upon completion of these improvements SMEMC expects to lease the renovated Building space to Resurrection University. These improvements (including but not limited to those TIF-Eligible Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Redevelopment Plan attached hereto as **Exhibit D**.

F. City Financing: The City agrees to use, in the amounts set forth in **Section 4.03** hereof, (i) the proceeds of the City Note (defined below) and/or (ii) Incremental Taxes to pay for or reimburse the Developer for the costs of the TIF-Eligible Improvements pursuant to the terms and conditions of this Agreement and the City Note.

In addition, the City may, in its discretion, in accordance with **Section 8.05** hereof, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "**TIF Bond Ordinance**") at a later date the proceeds of which (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Eligible Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to Resurrection University pursuant to this Agreement), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-

Eligible Improvements.

G. Prior TIF Financing: Pursuant to a note ordinance adopted by the City Council on December 4, 2002, as amended on May 7, 2003, the City issued its Tax Increment Allocation Revenue Note (Humboldt Park Commercial Redevelopment Project) Taxable Series 2003, dated June 9, 2003, in the amount of \$1,150,000 to The Northern Trust Company, secured by the pledge of certain Incremental Taxes (as defined herein) generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the City's Small Business Improvement Program (the "**Bank Note**")

Pursuant to an ordinance adopted by the City Council on June 8, 2005, the City entered into a redevelopment agreement with La Estancia Limited Partnership, dated as of November 28, 2005, whereby the City pledged certain Incremental Taxes generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the La Estancia Redevelopment Project in an amount not to exceed \$1,555,485 (the "**La Estancia Obligation**").

Pursuant to an ordinance adopted by the City Council on December 13, 2006, the City entered into a redevelopment agreement with North and Talman Elderly Limited Partnership dated as of August 8, 2007, whereby the City pledged certain Incremental Taxes generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the North and Talman Elderly Limited Partnership Redevelopment Project in an amount not to exceed \$2,450,000 (the "**North and Talman Obligation**").

Pursuant to an ordinance adopted by the City Council on February 9, 2011, the City entered into an intergovernmental agreement with the Public Building Commission of Chicago dated as of April 1, 2011, whereby the City pledged certain Incremental Taxes generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the Humboldt Park branch library in the amount of \$4,500,000 (the "**Library Obligation**" and, collectively with the Bank Note, the La Estancia Obligation and the North and Talman Obligation, "**Prior TIF Financing**").

The Developer acknowledges that the Prior TIF Financing is a prior lien on the Humboldt Park Commercial TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

“Act” shall have the meaning set forth in the Recitals hereof.

“Actual residents of the City” shall have the meaning set forth in **Section 10.02** hereof.

“Administrative Fee” shall mean ten percent (10%) of the Incremental Taxes.

“Affiliate” shall mean any person or entity directly or indirectly controlling, controlled by or under common control with SMEMC or Resurrection University, as the case may be.

“Agreement” shall have the meaning set forth in the Recitals hereof.

“Annual Compliance Report” shall mean a signed report from the Developer to the City in accordance with **Section 8.23** hereof (a) itemizing each of the following Developer obligations under the Agreement during the preceding calendar year:

- (1) evidence of meeting the Jobs Covenant and of continuously occupying and operating the Project as an integral part of its hospital building/campus (**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**);
- (5) evidence of meeting the Community Outreach requirements (**Section 8.20**);
- (6) evidence of continuing accreditation by the Illinois Board of Higher Education (**Section 8.21**);
- (7) delivery of evidence that LEED Certification has been obtained (**Section 8.22**); and
- (8) compliance with all other executory provisions of this Agreement;

(b) certifying the Developer's compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance; and (d) certifying that the Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements.

“Available Incremental Taxes” shall mean, for any given year of calculation, an amount equal to all the Incremental Taxes on deposit in the Humboldt Park Commercial TIF Fund, after deducting the Administrative Fee, all Incremental Taxes attributable to the Prior TIF Financing and debt service payments with respect to the TIF Bonds, if any.

“Building” shall have the meaning set forth in the Recitals hereof.

“Business Relationship” shall have the meaning as set forth in **Section 18.22** hereof.

“CDE” means Business Loan Conduit No. 16, LLC, a Delaware limited liability company and a “qualified community development” entity pursuant to Section 45D of the Internal Revenue Code.

“Certificate” shall mean the final Certificate of Completion of Rehabilitation as described in **Section 7.01** hereof.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note will be established.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in **Section 3.02**, **Section 3.03**, and **Section 3.04** respectively.

"City" shall mean the City of Chicago, Illinois.

"City Contract" shall have the meaning set forth in **Section 8.01(I)** 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. No City Funds shall be used to pay or reimburse Redevelopment Project Costs that are for Religious Purposes.

"City Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Humboldt Park Commercial Redevelopment Project Area) (Resurrection University Project), Taxable Series 2011, to be in the form attached hereto as **Exhibit M**, in the maximum principal amount of \$2,369,090, and with a maturity date of the March 1 which is ten (10) years after the issuance of the Certificate, issued by the City to Resurrection University as provided herein. The City Note shall bear interest at rates and upon such terms as set forth in **Section 4.03(d)** hereof.

"City Note Payment Requisition Form" shall mean the document, in the form attached hereto as **Exhibit L-2**, to be delivered by the Resurrection University to HED pursuant to **Section 4.03(e)** of this Agreement.

"Closing Date" shall mean the date set forth in the first paragraph of this Agreement.

"Commissioner" shall mean the Commissioner of HED.

"Completion Payment" shall mean \$2,369,089 paid to Resurrection University in accordance with **Section 4.03(c)**.

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

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

"Developer" shall have the meaning as set forth in the Recitals hereof.

"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 of Chicago, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Equity" shall mean funds of the 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).

"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 Project Cost" shall have the meaning set forth in **Section 7.01** hereof.

"Financial Statements" shall mean complete audited consolidated financial statements of Resurrection Health Care Corporation and its Affiliates prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"Full-Time Equivalent Employee" or **"FTE"** shall mean an employee of the Developer (or, with respect to job shares or similar work arrangements or part time employees, multiple employees counted collectively as a single FTE as set forth within this definition) who is employed in a permanent position during the applicable month, excluding persons engaged as or employed by independent contractors, third party service providers or consultants. For purposes of this definition: (a) a full time faculty member of Resurrection University shall be considered an FTE if such faculty member (i) is a salaried employee working under either a nine (9) month academic year contract or a twelve (12) month calendar year contract, and (ii) either teaches classes taking place at the Project or supervises students engaged in clinical work located at the Project or outside of the Project but within the City, or teaches on-line courses so long as some presence at the Project is maintained; (b) adjunct faculty members may be aggregated for purposes of the FTE calculation, such that every 24 credit hours taught by any adjunct faculty in any Reporting Period shall count as one (1) FTE; and (c) non-faculty employees of the Developer shall be employed at the Project and shall be either salaried employees or work at least thirty-five (35) hours per week (or if fewer than thirty-five (35) hours, two employees totaling at least thirty-five (35) hours being counted collectively as a single FTE) at the Project.

"General Contractor" shall mean Bear Construction Company, an Illinois corporation,

the general contractor(s) hired by the Developer 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.

"HED" shall have the meaning as set forth in the Recitals hereof.

"Human Rights Ordinance" shall have the meaning set forth in **Section 10.01(a)** hereof.

"Humboldt Park Commercial 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.

"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 Humboldt Park Commercial TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" shall have the meaning set forth in **Section 13.01** hereof.

"Jobs Covenant" shall have the meaning set forth in **Section 8.06(b)** hereof.

"LEED Certification" shall mean a basic Commercial Interior Certification of the Rehabilitation Project under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council and applicable to commercial interiors.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in **Section 4.01** hereof.

"Master Indenture" shall mean that certain Master Trust Indenture dated as of August 1, 1999, as amended, supplemented from time to time, among the Members of the Obligated Group and The Bank of New York Mellon Trust Company, N.A., a national banking association, as successor master trustee, and any master trust indenture entered into by the Members of the Obligated Group in substitution thereof.

"Maximum Amount of City Funds" shall have the meaning set forth in **Section 4.03(b)** 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.

“Members of the Obligated Group” shall mean, collectively, Resurrection Health Care Corporation, Resurrection Medical Center, Our Lady of the Resurrection Medical Center, Saint Francis Hospital, Saint Joseph Hospital and SMEMC, as members of the obligated group established under the Master Indenture.

“Municipal Code” shall mean the Municipal Code of the City of Chicago.

“Net New Markets Tax Credit Benefits” shall mean the gross new market tax credit equity received from the New Markets Tax Credit investor, less New Market Tax Credit-related closing costs, and less New Market Tax Credit compliance-period fees and expenses charged directly or indirectly to the Project and payable to the CDE or its affiliates, or the New Markets Tax Credit investor or its affiliates.

“New Mortgage” shall have the meaning set forth in **Section 16** hereof.

“NMTC Investment Fund” shall mean Chase NMTC Resurrection University Investment Fund LLC, a Delaware limited liability company.

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

“Operating Covenant” shall have the meaning set forth in **Section 8.06(a)** hereof.

“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 **Section 16** hereof.

“Plans and Specifications” shall mean the construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

“Prior Expenditure(s)” shall have the meaning set forth in **Section 4.04** hereof.

“Prior TIF Financing” shall have the meaning set forth in the Recitals hereof.

“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 the Developer to HED, in accordance with **Section 3.03** hereof.

“Property” shall have the meaning set forth in the Recitals hereof.

“QLICI Loan” shall mean those certain loans made by the CDE to SMEMC to finance the development of the Project for use and occupancy by Resurrection University.

“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.

“Religious Purposes” shall mean purposes which are prohibited by the Establishment of Religion Clause of the First Amendment of the Constitution of the United States of America and by any comparable provisions of the Constitution of the State of Illinois, as such provisions are interpreted by courts of competent jurisdiction, including but not limited to the United States Supreme Court and the Illinois Supreme Court.

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

“State” shall mean the State of Illinois.

“Survey” shall mean a survey in the most recently revised form of ALTA/ACSM land title survey of the Property, 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 renovation of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Ten Year Anniversary” shall mean the date which is ten years after the date of issuance of the Certificate pursuant to **Section 7.01** hereof.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (December 31, 2025).

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

"TIF-Eligible 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. TIF-Eligible Improvements shall not include any costs of the Project that are attributable to Religious Purposes. **Exhibit C** lists the TIF-Eligible 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 SMEMC 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 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.

SECTION 3. THE PROJECT

3.01 The Project. The Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof: (i) commence construction of the Project no later than January 1, 2012; and (ii) complete construction thereof no later than January 1, 2013.

3.02 Scope Drawings and Plans and Specifications. Prior to commencing work on the Project, the Developer will deliver the Scope Drawings and Plans and Specifications for the Project to HED and will obtain HED's approval of same. After such initial approvals, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED as a Change Order pursuant to **Section 3.04** hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building 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. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an amount not less than Thirteen Million Five Hundred Thirty-Seven Thousand Six Hundred Fifty-Four Dollars (\$13,537,654). The 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; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to HED 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, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to HED concurrently with the progress reports described in **Section 3.07** hereof; provided, that any Change Order (or combination of Change Orders) relating to any of the following must be submitted by the Developer to HED for HED's prior written approval: (a) a reduction in the square footage of the Project by more than five percent (5%); (b) a change in the use of the Property to a use other than its current uses; (c) a delay in the completion of the Project by more than six months past the completion date set forth in **Section 3.01** above; or (d) an increase or decrease in the Project Budget by more than 10% from the figure set forth in **Section 3.03** above. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of HED's written approval (to the extent required in this section). 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 the Developer.

3.05 HED Approval. Any approval granted by HED 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 HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any HED approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the 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 the Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide HED with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any extension of completion date by more than ninety (90) days being considered a Change Order, requiring HED's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. Developer's architect, Perkins + Will, or an independent agent or architect (other than the Developer's architect) approved by HED shall be

selected to act as the inspecting agent or architect, at the 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 HED, prior to requests for disbursement for costs related to the Project hereunder.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. HED 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 the Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$13,537,654, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity	
Developer Equity	\$9,488,178*
State Grant Funding	\$1,247,000
Net New Market Tax Credit Benefits	\$2,802,476
Lender Financing	\$ -0-
ESTIMATED TOTAL	\$13,537,654

* The City Funds will be used to reimburse \$4,738,179 of Developer Equity.

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 and costs of TIF-Eligible Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds shall only be used to pay directly or reimburse the Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs. City Funds shall not be used to pay directly or reimburse the Developer for costs of improvements that are to be for Religious Purposes. Exhibit C sets forth, by line item, the TIF-Eligible 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)), contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost and that such Project cost is not attributable for a Religious Purpose. City Funds shall not be paid to the Developer hereunder prior to the issuance of the Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide the City funds to Resurrection University from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Eligible Improvements or to pay principal of and interest on the City Note:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	\$4,738,179

provided, however, that if actual total costs of the Project are less than \$13,537,654 or the Net New Markets Tax Credit Benefits are greater than \$2,802,476, then the Maximum Amount of City Funds provided under this Redevelopment Agreement shall be reduced by (i) one dollar (\$1.00) for every one dollar (\$1.00) reduction in actual total costs of the Project below \$13,537,654 or (ii) one dollar (\$1.00) for every one dollar (\$1.00) the Net New Markets Tax Credit Benefits are greater than \$2,802,476, respectively; provided further, the Maximum Amount of City Funds shall not be more than thirty-five percent (35%) of the Final Project Costs.

Furthermore, in no instance shall the total City Funds paid under this Agreement, together with any other financial assistance provided by the City to the Developer with respect to the Project, exceed thirty-five percent (35%) of the Final Project Costs.

(c) Completion Payment.

(i) Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, upon the City's receipt of a properly completed Completion Payment Requisition Form in the form set forth in Exhibit L-1 hereto, and the issuance of the Certificate in accordance with Section 7 hereof, the City hereby agrees to pay Resurrection University City Funds in an amount not to exceed \$2,369,089 (the "Completion Payment") that were incurred by the Developer for TIF-Eligible Improvements.

(ii) City Funds derived from Available Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as:

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

- (2) 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 any City Funds is contingent upon the fulfillment of the conditions set forth in parts (1) and (2) above, as well as the prior issuance of the Certificate and the Developer's satisfaction of all other applicable terms and conditions of this Agreement.

(d) Issuance of City Note; Increase in Amount of Principal Balance; Interest Rate. Subject to the terms and conditions of this Agreement, the City hereby agrees to issue a City Note having a maximum principal of \$2,369,090 to Resurrection University on the Closing Date to reimburse Developer for the costs of certain TIF-Eligible Improvements.

The City shall, on the Closing Date and thereafter as Certificates of Expenditure are issued, set the initial principal balance and increase the principal balance of the City Note as indicated on the following schedules, subject to the maximum amount of the City Note set forth above (\$2,369,090):

Initial Balance: the dollar value of all Prior Expenditures that are TIF-Eligible Improvements.

Increases in Balance: the aggregate dollar value of all Certificates of Expenditure issued by the City in connection with the City Note that reflect Developer's TIF-Eligible Improvements incurred for the Project.

Interest on the outstanding and unpaid principal of the City Note shall accrue and compound (at the rate set forth in the City Note) commencing on the date that the Certificate is issued.

The interest rate for the City Note shall be set upon its issuance (the Closing Date) and shall not exceed the following per annum based on a 360 day year:

An annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20-year) as published by Bloomberg for 15 business days prior to the date of issuance of City Note plus 125 basis points, but in no event exceeding eight and one-half percent (8.5%) per annum.

Any interest that has accrued under the City Note and remains unpaid following a scheduled payment date shall accrue interest per annum at the scheduled interest rate, but such interest on interest shall not be deemed to increase the principal of the City Note. The City Note, once issued to Resurrection University, is permitted to be assigned to Resurrection Health Care Corporation.

(e) Payment Obligations on City Note; Prepayment thereof allowed. Payments on the City Note, if any, shall be made once annually by the City starting on the next March 1 to occur following the City's receipt, not later than January 1, of a properly completed City Note Payment Requisition Form in the form set forth in Exhibit L-2 hereto, along with the other documentation

described therein. **Developer shall not tender any City Note Payment Requisition Form to the City prior to the issuance of the Certificate.**

Payments on the City Note shall continue until the City Note is fully paid or discharged, subject to the terms, conditions and limitations with respect thereto contained in the City Note and in this Agreement. Payments on the City Note shall first be applied to unpaid interest, if any, then to current interest, if any, and then to principal.

The City may pre-pay, in whole or in part, the City Note at any time, but in the sequence and priority in which it becomes payable, using any Available Incremental Taxes.

(f) Unavailability of City Funds. The City is not obligated to pay Resurrection University in any year in which there are no City Funds or City Funds are insufficient. If, at the end of the Term of the Agreement, any outstanding obligation of City Funds exists (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by Resurrection University, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

4.04 Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). HED 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 HED as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Eligible Improvements shall not be reimbursed to Resurrection University, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to **Section 4.01** hereof.

4.05 Allocation Among Line Items. Developer may allocate or transfer its disbursements for expenses related to TIF-Eligible Improvements among other TIF-Eligible Improvements.

4.06 Cost Overruns. If the aggregate cost of the TIF-Eligible Improvements exceeds City Funds available pursuant to **Section 4.03** hereof, or if the cost of completing the Project exceeds the Project Budget, the 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-Eligible Improvements in excess of City Funds and of completing the Project.

4.07 Certificates of Expenditure. Certificates of Expenditure, a form of which is attached to the form of Note on **Exhibit M** hereto, for the purpose of increasing the principal of the City Note shall be issued by the City (provided the Developer has demonstrated the dollar value test set forth below) approximately 60 days after the Closing Date and every 90 days thereafter until the Maximum Amount of the City Note has been reached. The dollar value of each Certificate of Expenditure shall be set by the City and will equal the amount of Equity and Lender Financing, if any, demonstrated, to the reasonable satisfaction of the City, to have been expended by the Developer on the TIF-Eligible Improvements incurred for the Project over and above the amounts of Equity and Lender Financing that have been accounted for in all prior

Certificates of Expenditure, pursuant to the preconditions set forth in the paragraphs below.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall demonstrate its progress on the Project by timely submitting to the City a request for execution of a Certificate of Expenditure, which request shall include: (i) documentation (including an owner's sworn statement) regarding Developer's then-current expenditures on TIF-Eligible Improvements and executed lien waivers for same, which documentation shall be made satisfactory to HED in its sole discretion, (ii) progress reports containing the information set forth in **Section 8.07** herein, and, if required by said Section, (iii) a plan for correcting any compliance shortfall. Delivery by the Developer to HED of any request for execution by the City of a Certificate of Expenditure 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 execution of a Certificate of Expenditure, that:

- (a) the total amount of the request for Certificate of Expenditure represents the actual amount in TIF-Eligible Improvements paid to the General Contractor and/or subcontractors, and/or their payees;
- (b) all amounts shown as previous payments on the request for Certificate of Expenditure have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials referenced in the request for Certificate of Expenditure and such work and materials conform to the Plans and Specifications;
- (d) the representations and warranties contained in this Agreement are true and correct and the Developer is in compliance with all covenants contained herein;
- (e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Project which have not been cured or insured over except for the Permitted Liens; and
- (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.

The City may require the Developer to submit further documentation to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure 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 the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure including, but not limited to, the TIF Ordinances or 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. City Funds are subject to being terminated or reimbursed as provided in **Section 15.02** 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. The Developer has submitted to HED, and HED has approved, a Project Budget in accordance with the provisions of **Section 3.03** hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to HED, and HED has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of **Section 3.02** hereof.

5.03 Other Governmental Approvals. The Developer must have secured all approvals and permits required by any state, federal, or local statute, ordinance or regulation necessary to commence construction of the Project in accordance with this Agreement and has submitted evidence thereof to HED. Such approvals shall include, without limitation, all building permits from the City necessary for the Project.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing, if any, 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, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in **Section 4.01**) to complete the Project. Any liens against the Property in existence at the Closing Date, other than Permitted Liens, have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. 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 zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to HED, on or prior to the Closing Date, certified copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developers' names as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search

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

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

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

5.08 Insurance. The 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 HED.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the 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 the Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to HED in its sole discretion of the Prior Expenditures in accordance with the provisions of **Section 4.04** hereof.

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

5.12 MBE/WBE; Prevailing Wage. The Developer has provided documentation with respect to current information requested under **Sections 8.07** and **8.09** herein.

5.13 Environmental. The Developer has provided HED with copies of (i) that certain phase I environmental audit completed with respect to the Property, (ii) that certain Asbestos Survey dated November 24, 2010 prepared by The Premier Companies, and (iii) any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s) and survey, authorizing the City to rely on such audits and survey, respectfully.

5.14 Corporate Documents; Economic Disclosure Statement. SMEMC and Resurrection University each has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation; and such other corporate documentation as the City has requested. SMEMC and Resurrection University each has provided to the City an Economic Disclosure Statement, in the City's then current form, dated or

recertified as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and HED a description of all pending or threatened litigation or administrative proceedings involving the 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 General Contractor and Subcontractors. The City has approved the Developer's selection of Bear Construction Company, an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to HED in accordance with **Section 6.02** below. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to complete the Project in accordance with **Section 6.01** above, for HED'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 by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to HED 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 the commencement of any portion of the Project which includes work on the public way, the 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 acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The 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 Contract 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-Eligible Improvements shall be provided to HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate Concerning Completion of Rehabilitation.

(a) Upon (i) satisfaction of the conditions set forth in **Section 7.01(c)** hereof, and (ii) the Developer's written request (which shall include a final Project Budget detailing the total actual cost of the construction of the Project (the "**Final Project Cost**")), HED shall issue to the Developer a Certificate of Completion of Rehabilitation (the "**Certificate**") in recordable form certifying that all obligations to complete the Project have been fulfilled by the Developer in accordance with the terms of this Agreement.

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

(c) Developer acknowledges that the City will not issue a Certificate of Completion until all of the following conditions have been met:

(i) the Developer has given the City written notification that construction of the Project, including all of the TIF-Eligible Improvements, has been completed;

(ii) the Developer has provided HED with evidence acceptable to HED showing that the Developer has completed the Project in compliance with the Plans and Specifications and all building permit requirements, including without limitation, receipt of all required certificate(s) of occupancy for the Project;

(iii) the Developer has provided HED with documentation acceptable to HED that the Jobs Covenant set forth in **Section 8.06(b)(i)** has been met;

(iv) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of **Section 8.09** (Prevailing Wage) and **Section 10** (Employment Obligations). If there is a lack of compliance with **Section 10.02** (City Resident Employment) and such lack of compliance has resulted in payment of the penalty set forth in such section, then full payment of such penalty amount shall be deemed to constitute compliance with **Section 10.02** hereof for purposes of this **Section 7.01(c)**; and

(v) the Developer has provided documentation acceptable to HED showing expenditures to comply with **Section 8.22** (LEED Certification). If there is a lack of approval of the Developer's LEED submission, and such lack of approval (A) is the sole requirement not met for issuance of the Certificate of Completion by HED pursuant to this Agreement, and (B) has not resulted in any reduction of funds in order to complete the Project in accordance with the scope of work approved by the City in accordance with **Sections 3.02** and **3.04** hereof, then HED, may, but shall not be obligated to, in the HED Commissioner's sole discretion, issue the Certificate of Completion; and

(vi) the Developer has provided documentation acceptable to HED showing that the Project is serving as a fully functioning nursing and other healthcare related higher education facility which is accredited by the Illinois Board of Higher Education.

7.02 Effect of Issuance of Final Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project and the fulfillment of the other obligations set forth in **Section 7.01** hereof, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a 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, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at **Sections 8.01(j), 8.01(k), 8.02, 8.06, 8.19, 8.20, 8.22** and **8.23** 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 a Certificate; provided that, upon the issuance of a Certificate, the covenants set forth in **Sections 8.02** and **8.22** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. If the 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 rights and remedies set forth in **Section 15.02** hereof.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, HED shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired and that the Developer is released from its obligations under this Agreement.

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

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

(a) SMEMC and Resurrection University are each now, and for the Term of the Agreement shall remain, an Illinois not for profit corporation duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of SMEMC and Resurrection University has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, SMEMC 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 the Developer is contesting in good faith pursuant to **Section 8.15** hereof);

(e) the 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 the Developer which would impair its ability to perform under this Agreement;

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

(h) the 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 the Developer is a party or by which the 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 the Developer to HED's satisfaction, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) Except as may be permitted under the Master Indenture, the Developer shall not do any of the following prior to the Ten Year Anniversary without the prior written consent of HED (and after the Ten Year Anniversary until the expiration of the Term of the Agreement without notice to HED): (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey or otherwise dispose of all or substantially all of its assets or any portion of the Facility (including but not limited to any fixtures or equipment now or hereafter attached thereto) except any sale, transfer, or conveyance to Resurrection Health Care Corporation or between SMEMC and Resurrection University shall require only prior written notice to the City; (3) lease any portion of the Facility for which the Developer has received City Funds except the lease by SMEMC to Resurrection University for operation of the Project as a nursing and other healthcare higher education facility is deemed consented to; (4) enter into any transaction outside the ordinary course of the Developer's business which would impair Developer's ability to perform under this Agreement; (5) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity which would impair Developer's ability to perform under this Agreement; (6) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; or (7) convert the Project

to a use not set forth in **Recital D** hereof; notwithstanding the foregoing, the City acknowledges (i) the QLICI Loan being made to SMEMC and any guaranty by the Developer delivered in connection with the QLICI Loan, and (ii) the indemnity being delivered by the Developer agreeing to indemnify the indirect owner of the NMTC Investment Fund with respect to losses on an account of a recapture or disallowance of the New Markets Tax Credits expected to be claimed by such party;

(k) Except as may be permitted under the Master Indenture, the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of HED, 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; and

(l) the Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this 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 this Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City;

(m) neither the Developer nor any affiliate of the 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) the Developer shall not use for Religious Purposes any portion of the Facility which has been improved by work paid for with City Funds.

8.02 Covenant to Redevelop. Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the 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 a Certificate with respect thereto.

8.03 Redevelopment Plan. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

8.05 Other Bonds. The 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-Eligible Improvements (the "**TIF Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF 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 Jobs and Operational Covenants.

(a) **Operating Covenant:** From the first day of its receipt of a partial occupancy permit involving any portion of the Project, and continuing for the Term of this Agreement, the Developer hereby covenants and agrees to continuously occupy and operate the Project for the uses set forth in **Recital D** hereof.

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

(i) Prior to the date the Developer requests the City to issue the Certificate under **Section 7.01**, Resurrection University shall employ at least 50 FTE positions at the Project;

(ii) From the date of issuance of the Certificate and at all times throughout the Term of the Agreement, the number of FTE positions at the Project pursuant to Section 8.06(b)(i) above shall be at least 50 FTE jobs;

(iii) Prior to the second anniversary of the issuance of the Certificate and from such date until the Ten Year Anniversary, at least 15 new FTE positions shall be created and maintained at the Project.

Throughout the Term of the Agreement, the Developer shall submit to HED annual certified Jobs Certificates (in substantially the form set forth in **Exhibit F** hereto) disclosing compliance with the Jobs Covenant to HED. These Jobs Certificates shall be submitted to HED with the Annual Compliance Report; provided, however, if the Annual Compliance Report submission date is after February 1, then the Jobs Certificate shall be submitted prior to February 1 for the prior calendar year. The Jobs Certificate shall include the names and titles of FTEs employed at the Project as of the end of the prior calendar year and documentation

sufficient to support, to HED's satisfaction, each position as either newly created or relocated from within or outside the City.

(c) Covenants Run with the Land. The covenants set forth in this **Section 8.06** shall run with the Property and be binding upon any transferee of the Property.

8.07 Employment Opportunity; Progress Reports. The 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. The 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. Unless a different schedule is required elsewhere in this Agreement, such reports shall be delivered to the City quarterly until the Project is fully completed. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.09 Prevailing Wage. The 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, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.09**.

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

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

8.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial

ownership interest in the Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer shall obtain and provide to HED Financial Statements for the fiscal year ended 2010 and each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as HED may request.

8.14 Insurance. The 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, the 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, the 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. The Developer shall furnish to HED, within thirty (30) days of HED's request, official receipts from the appropriate entity, or other proof satisfactory to HED, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. The 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 the 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 HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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. The 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 the Developer to any other person or entity. The Developer shall immediately notify HED of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related hereto.

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes 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.

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property 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; however, if this Agreement is not recorded first, then a Subordination Agreement, in a form acceptable to the City, shall be executed on or prior to the Closing Date and recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the 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. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the 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 the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The 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. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to HED of the Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option,

(A) the Developer shall demonstrate to HED's satisfaction that legal proceedings instituted by the 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

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise HED thereof in writing, at which time HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED by the 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 the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

8.20 Community Outreach. The Developer shall undertake the Community Outreach efforts set forth on Exhibit N, attached hereto and made a part hereof.

8.21 Loss of Accreditation. Developer covenants that, during the Term of this Agreement, Resurrection University shall not fail to maintain its accreditations. Notwithstanding anything in this Agreement to the contrary, the Developer shall be afforded a cure period for any default under this Section 8.21 equal to that period offered to Developer by the relevant accrediting body for the cure of the actual or potential loss of such accreditation certificate.

8.22 LEED Certification. The Developer covenants and agrees to obtain LEED Certification for the Project and satisfy all green building requirements for commercial interiors.

8.23 Annual Compliance Report. The Developer shall provide to HED an Annual Compliance Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications, to the satisfaction of HED, to evidence that all ongoing requirements have been satisfied during the preceding reporting period (which HED shall have the right, but not the obligation, to audit compliance with to determine the sufficiency of such Annual Compliance Report). The Annual Compliance Report shall be submitted each year on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "Reporting Period"). Failure by the Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.23 shall run with the land and be binding upon any transferee for the Term of the Agreement.

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

SECTION 9. 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. The 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 the Developer operating at the Project (collectively, with the 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 or occupation of the Project:

(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 at the Project, 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. The 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 of Chicago (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, the 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.

The 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 of Chicago 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.

The 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 HED 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.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The 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 HED, affidavits and other supporting documentation will be required of the 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 the 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 the 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 the 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 the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the 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.

The 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. The 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 of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 *et seq.*, Municipal Code of Chicago (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, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "**contractor**" and this Agreement (and any contract let by the 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 of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the 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 the 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 the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) The 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 the 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 the Developer's compliance with this MBE/WBE commitment. The 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 the Developer, on five Business Days' notice, to allow the City to review the 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, the 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 of Chicago, as applicable.

(f) Any reduction or waiver of the 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 of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the 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, the 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, the 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 the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the 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 the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the 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, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, 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 the 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 the Developer, or any person directly or indirectly controlling, controlled by or under common control with the 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 the 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 the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (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 shall 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.

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (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 shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, 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) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the General Contractor shall provide 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 Insurance

When any work is to be done adjacent to or on railroad or transit property, General Contractor shall provide, or cause to be provided with respect to the operations that the General Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy shall 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) Builders Risk Insurance

When the General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the General Contractor shall 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 permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee or Mortgagee, as 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 shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work under this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, 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 one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named as a Loss Payee or Mortgagee, as applicable.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named as a Loss

Payee or Mortgagee, as applicable.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original certificates of insurance evidencing the required coverage 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. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this 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 the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer and General Contractor.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within this Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under this Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase 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 Indemnities 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) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Eligible 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 any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the 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. The 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 the 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 the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City shall have 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 the Developer hereunder:

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

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

(c) the making or furnishing by the 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 the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the 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 the 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 the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation (except as permitted pursuant to **Section**

8.01(j) hereof), of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless 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 the 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 the Developer; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer that is not dismissed within thirty (30) days, or the indictment of the Developer for any crime (other than a misdemeanor).

15.02 Remedies. Upon the occurrence of an Event of Default pursuant to **Section 15.01** (and after the expiration of all applicable cure periods pursuant to **Section 15.03** hereof), the City has the following rights (but is not obligated):

(a) to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) to complete those TIF-Eligible Improvements that are public improvements and to pay for the costs of TIF-Eligible Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Eligible Improvements exceeds the amount of City Funds available pursuant to **Section 4.01**, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Eligible Improvements in excess of the available City Funds;

(c) to seek reimbursement of the City Funds from the Developer;

(d) to pursue and secure, in any court of competent jurisdiction by any action or proceeding at law or in equity, any available remedy, including but not limited to injunctive relief, the recovery of City Funds already disbursed to Developer, or the specific performance of the agreements contained herein.

15.03 Cure Period. In the event the Developer shall fail to perform a monetary covenant which the 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 the 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 the Developer shall fail to perform a non-monetary covenant which the 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 the Developer has failed to cure such default within thirty (30) days of its

receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that the cure period under this Section 15.03 does not apply with respect to any failure to comply with the accreditation requirements of Section 8.21 hereof.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages securing the Master Indenture) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the 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 the 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 the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the 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 the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the 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 the 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 the 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 the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the 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 the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the 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 the Developer of a Certificate of completion 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 HED, which consent shall not be unreasonably withheld.

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.

If to the City:	City of Chicago Department of Housing and Economic Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	Resurrection University c/o Resurrection Health Care Corporation 7435 West Talcott Avenue Chicago, IL 60631 Attention: Jeannie Carmedelle Frey, Esq., General Counsel
With Copies To:	Foley & Lardner LLP 321 N. Clark Street, Suite 2800 Chicago, IL 60654 Attention: Donna Pugh

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 **Exhibit D** hereto 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 the Developer by more than 90 days.

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 the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. The 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 the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement 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 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. Except as otherwise permitted in **Section 8.01(j)** hereof, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the 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 8.24** (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this

Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other acts of God 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.

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

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

18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party 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.

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council

meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement 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.

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.

SAINTS MARY AND ELIZABETH MEDICAL CENTER, an Illinois not for profit corporation

By: Margaret McDermott
Name: Margaret McDermott
Its: Executive Vice President

RESURRECTION UNIVERSITY, an Illinois not for profit corporation

By: _____
Name: Beth A. Brooks
Its: President

CITY OF CHICAGO, an Illinois municipal corporation, by and through its Department of Housing and Economic Development

By: _____
Name: Andrew J. Mooney
Its: Commissioner

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.

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By: _____
Name: Andrew J. Mooney
Its: Commissioner

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.

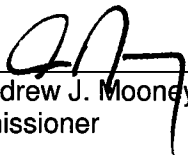
SAINTS MARY AND ELIZABETH MEDICAL CENTER, an Illinois not for profit corporation

By: _____
Name: Margaret McDermott
Its: Executive Vice President

RESURRECTION UNIVERSITY, an Illinois not for profit corporation

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CITY OF CHICAGO, an Illinois municipal corporation, by and through its Department of Housing and Economic Development

By:  _____
Name: Andrew J. Mooney
Its: Commissioner

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

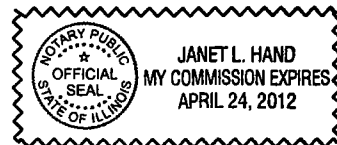
I, Janet L. Hand, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Beth A. Brooks, personally known to me to be the President of Resurrection University, an Illinois not-for-profit corporation (the "Corporation"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation, as his/her free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 27th day of October, 2011.

Janet L. Hand
Notary Public

My Commission Expires 4/24/12

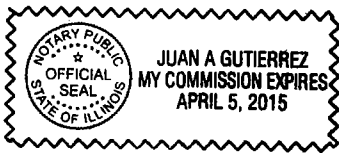
(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Juan A. Gutierrez, 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 Housing and Economic Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 3rd day of October, 2011.



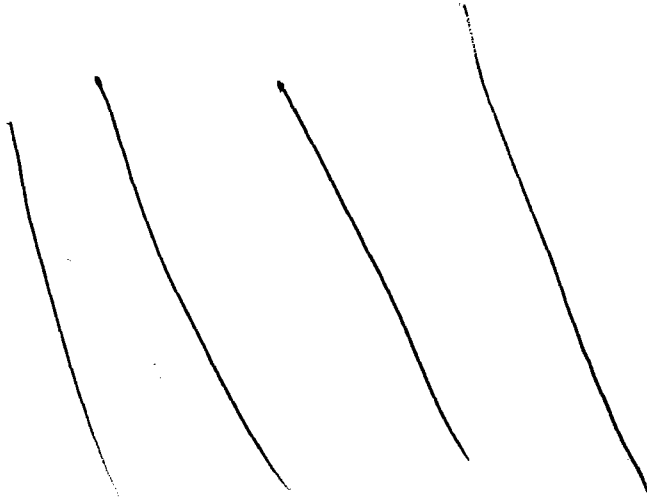
Juan A. Gutierrez
Notary Public

My Commission Expires 4/5/15

[SEAL]

EXHIBIT A
REDEVELOPMENT AREA

[See Attached]



(Sub)Exhibit "A".
(To Resurrection University Redevelopment Agreement)

Redevelopment Area Legal Description.

All that part of the south half of Sections 35 and 36 in Township 40 North, Range 13 East of the Third Principal Meridian, and the west half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, and the west half of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, and of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the south line of West North Avenue with the east line of North Claremont Avenue; thence south along said east line of North Claremont Avenue to the easterly extension of the north line of Lot 48 in Block 4 of H. B. Bogue's Subdivision of Blocks 1, 2, 4 and 5 of Watson, Tower and Davis' Subdivision of the west half of the northwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lot 48 being also the south line of the alley south of West North Avenue; thence west along said easterly extension and the north line of Lot 48 in Block 4 of H. B. Bogue's Subdivision to the northwesterly line of said Lot 48; thence southwesterly along said northwesterly line of Lot 48 in Block 4 of H. B. Bogue's Subdivision to the west line of said Lot 48, said west line of Lot 48 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the north line of West Le Moyne Street; thence east along said north line of West Le Moyne Street to the east line of North Oakley Boulevard; thence south along said east line of North Oakley Boulevard to the south line of West Hirsch Street; thence west along said south line of West Hirsch Street to the west line of Lot 1 in Watson's Subdivision of Block 12 of Watson, Tower and Davis' Subdivision of the west half of the northwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the north line of West Potomac Avenue; thence east along said north line of West Potomac Avenue to the east line of North Oakley Boulevard; thence south along said east line of North Oakley Boulevard to the easterly extension of the north line of Lot 13 in Block 2 of E. A. Cummings and Company's Subdivision of Block 2 in the subdivision of Block 4 and Lots 1 to 6 and 12 to 32 of Block 5 of Suffern's Subdivision of the southwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lot 13 being also the south line of West Haddon Avenue; thence west along said easterly extension and the south line of West Haddon

Avenue to the southerly extension of the east line of Lot 1 in Bernhard Loeff's Resubdivision of Lots 26 to 42, both inclusive, of Mc Creery's Subdivision of the north half of the northeast quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence north along said southerly extension and the east line of Lot 1 in Bernhard Loeff's Resubdivision to the north line of said Lot 1, said north line of Lot 1 being also the south line of the aliey south of West Division Street; thence west along said south line of the aliey south of West Division Street and along the westerly extension thereof to the west line of North Campbeli Avenue; thence north along said west line of North Campbeli Avenue to the north line of Lot 8 in the resubdivision of the subdivision of one acre in the northeast corner of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian and of Lot "A" in Gross' Humboldt Park Addition to Chicago, a subdivision of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except one acre in the northeast corner and one acre in the northwest corner thereof), said north line of Lot 8 being also the south line of the alley south of West Division Street; thence west along said north line of Lot 8 to the west line of said Lot 8; thence south along said west line of aforesaid Lot 8 to the easterly extension of the north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago, a subdivision of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except one acre in the northeast corner and one acre in the northwest corner thereof), said north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago being also the south line of the aliey south of West Division Street; thence west along said north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago to the west line of said Lot 19 in Gross' Humboldt Park Addition to Chicago; thence south along said west line of said Lot 19 in Gross' Humboldt Park Addition to Chicago to the north line of Lots 11 through 18, inclusive, in said Gross' Humboldt Park Addition to Chicago, said north line of Lots 11 through 18, inclusive, being also the south line of the aliey south of West Division Street; thence west along said north line of Lots 11 through 18, inclusive, in Gross' Humboldt Park Addition to Chicago and along the westerly extension thereof to the west line of North Rockwell Street; thence north along said west line of North Rockwell Street to the north line of Lot 4 in Gross' Third Humboldt Park Addition to Chicago, a subdivision of the east 100 feet of the northwest quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; and also the east 15 feet of Lot 1 and 42 in Block 1, and the east 15 feet of Lots 1 and 42 in Block 4 in Wetherbee and Gregory's Subdivision of the north half of the northwest quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except the east 100 feet of said tract), and also the west 15 feet of the east

10,015 feet of the south half of the northwest quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said north line of Lot 4 being also the south line of the aliey south of West Division Street; thence west along said south line of the aliey south of West Division Street to the west line of North Mozart Street; thence north along said west line of North Mozart Street to the south line of West Division Street; thence east along said south line of West Division Street to the east line of North California Avenue; thence north along said east line of North California Avenue to the north line of West Crystal Street; thence east along said north line of West Crystal Street to the northerly extension of the west line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision of the southwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said west line of Lot 16 being also the east line of the alley east of North California Avenue; thence south along said northerly extension and the west line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision to the southwesterly line of said Lot 16; thence southeasterly along said southwesterly line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision to the south line of said Lot 16, said south line of Lot 16 being also the north line of the aliey north of West Division Street; thence east along said north line of the aliey north of West Division Street to the east line of Lot 12 in said Block 7 of Humboldt Park Residence Association's Subdivision; thence north along said east line of Lot 12 in Block 7 of Humboldt Park Residence Association's Subdivision and along the northerly extension thereof to the north line of West Crystal Street; thence east along said north line of West Crystal Street to the east line of North Washtenaw Avenue; thence south along said east line of North Washtenaw Avenue to the south line of Lot 24 in Block 8 of aforesaid Humboldt Park Residence Association's Subdivision, said south line of Lot 24 being also the north line of the aliey north of West Division Street; thence east along said north line of the aliey north of West Division Street to the west line of North Artesian Avenue; thence north along said west line of North Artesian Avenue to the westerly extension of the south line of Lot 34 in Block 8 of Winslow and Jacobson's Subdivision of the southeast quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said south line of Lot 34 being also the north line of the open public alley north of West Division Street; thence east along said westerly extension and the south line of Lot 34 in Block 8 of Winslow and Jacobson's Subdivision to the east line of said Lot 34, said east line of Lot 34 being also the west line of the aliey west of North Western Avenue; thence north along said west line of the aliey west of North Western Avenue to the northeasterly line of Lot 12 in Block 1 of Winslow, Jacobson and Tallman's Subdivision of the northeast quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence northwesterly along said northeasterly line of Lot 12 in Block 1 of Winslow, Jacobson and Tallman's Subdivision to the north line of said Lot 12, said north

line of Lot 12 being also the south line of the alley south of West North Avenue; thence west along said south line of the alley south of West North Avenue and along the westerly extension thereof to the west line of North Rockwell Street; thence north along said west line of North Rockwell Street to the north line of Lot 6 in Block 1 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said north line of Lot 6 in Block 1 of H. M. Thompson's Subdivision to the northwest corner of said Lot 6; thence westerly along a straight line to the northeast corner of Lot 43 in said Block 1 of H. M. Thompson's Subdivision; thence west along the north line of said Lot 43 in Block 1 of H. M. Thompson's Subdivision to the east line of North Talinan Avenue; thence west along a straight line to the northeast corner of Lot 6 in Block 2 of said H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along the north line of said Lot 6 in Block 2 of H. M. Thompson's Subdivision and along the westerly extension thereof and along the north line of Lot 43 in said Block 2 of H. M. Thompson's Subdivision and along the westerly extension thereof to the west line of North Washtenaw Avenue; thence south along said west line of North Washtenaw Avenue to the north line of the south 0.5 feet of Lot 9 in Block 3 of said H. M. Thompson's Subdivision, said north line of the south 0.5 feet of Lot 9 being also the south line of the alley south of West North Avenue; thence west along said north line of the south 0.5 feet of Lot 9 in Block 3 of said H. M. Thompson's Subdivision to the west line of said Lot 9, said west line of Lot 9 being also the east line of the alley west of North Washtenaw Avenue; thence south along said west line of Lot 9 in Block 3 of said H. M. Thompson's Subdivision to the easterly extension of the north line of Lot 39 in said Block 3 of H. M. Thompson's Subdivision; thence west along said easterly extension and the north line of said Lot 39 in Block 3 of H. M. Thompson's Subdivision and along the westerly extension thereof to the west line of North Fairfield Avenue; thence north along said west line of North Fairfield Avenue to the north line of Lot 1 in the Resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said north line of Lot 1 in the resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision to the west line of said Lot 1, said west line of Lot 1 being also the east line of the alley east of North California Avenue; thence south along said west line of Lot 1 in the resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision to the easterly extension of the north line of Lot 42 in Block 4 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the north line of Lot 42 in Block 4 of H. M. Thompson's Subdivision to the east line of North California Avenue; thence north along said east line of North

California Avenue and along the northerly extension thereof to the north line of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said north line of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian and along the north line of the northwest quarter of said Section 1 to the southerly extension of the east line of Lot 18 in Block 5 of Johnston and Cox's Subdivision of the southwest quarter of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 18 being also the west line of North Troy Street; thence north along said southerly extension of the east line of Lot 18 in Block 5 of Johnston and Cox's Subdivision to the north line of West North Avenue; thence west along said north line of West North Avenue to the west line of North Kedzie Avenue; thence south along said west line of North Kedzie Avenue to the south line of West Pierce Avenue; thence west along said south line of West Pierce Avenue to the southerly extension of the east line of Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago in the northeast quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 11 being also the west line of the alley west of North Kedzie Avenue; thence north along said southerly extension and the east line of Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago to the northeasterly line of said Lot 11; thence northwesterly along said northeasterly line of Lot 11 to the north line of said Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago, said north line of Lot 11 being also the south line of the alley south of West North Avenue; thence west along said south line of the alley south of West North Avenue to the east line of Lot 12 in Block 2 in the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 12 being also the west line of the alley west of North Monticelio Avenue; thence north along the northerly extension of said east line of Lot 12 in Block 2 of the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian to the centerline of the vacated alley lying north of and adjoining said Lot 12; thence west along said centerline of the vacated alley lying north of and adjoining Lot 12 in Block 2 in the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, to the east line of North Lawndale Avenue; thence south along said east line of North Lawndale Avenue to the easterly extension of the north line of Lot 30 in Block 4 of Beebe's Subdivision of the east half of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, said north line of Lot 30 being also the south line of the alley south of West North Avenue; thence west along said easterly extension and the north line of Lot 30 in Block 4 of Beebe's Subdivision and along the westerly extension thereof, to the easterly line of the Chicago,

Milwaukee, St. Paul and Pacific Railroad right-of-way; thence northerly along said easterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way to the south line of Lot 13 in Block 6 in the subdivision of the southeast quarter of the southwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian (except the east half of the southeast quarter of the southeast quarter of the southwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian and except the railroad), said south line of Lot 13 being also the north line of the alley north of West North Avenue; thence west along said north line of the alley north of West North Avenue to the east line of North Troy Avenue; thence south along said east line of North Troy Avenue to the centerline of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision of the southwest quarter of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian; thence east along said centerline of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision to the east line of said vacated alley; thence north along said east line of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision to the westerly extension of the south line of Lot 17 in said Block 6 of Johnston and Cox's Subdivision, said south line of Lot 17 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the west line of North Humboldt Boulevard; thence south along said west line of North Humboldt Boulevard to the north line of West North Avenue; thence east along said north line of West North Avenue to the east line of North Humboldt Boulevard; thence north along said east line of North Humboldt Boulevard to the south line of Lot 16 in Block 13 of Hansbrough and Hess Subdivision of the east half of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 16 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue and the easterly extension thereof to the east line of North California Avenue; thence south along said east line of North California Avenue to the south line of Lot 77 in Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 77 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the west line of North Washtenaw Avenue; thence north along said west line of North Washtenaw Avenue to the westerly extension of the north line of the south 0.5 feet of Lot 10 in Young and Talbott's Subdivision of Lots 1, 2, 3, 8 and 9 of Block 1; thence east along said westerly extension and the north line of the south 0.5 feet of Lot 10 in Young and Talbott's Subdivision of Lots 1, 2, 3, 8 and 9 of Block 1 and along the easterly extension thereof and along the north line of the south 0.5 feet of Lot 7 in said Young and Talbott's Subdivision and along the easterly extension thereof to the east line of North Talman Avenue; thence south along said east line of North Talman Avenue to the

south line of Lot 15 in Goodrich and Young's Subdivision of Lots 4, 5 and 6 in Block 1 of Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 15 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue and along the easterly extension thereof to the east line of North Western Avenue; thence north along said east line of North Western Avenue to the north line of Lot 17 in the subdivision of Lot 4 of the Assessor's Division of unsubdivided land in the south half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said north line of Lot 17 in the subdivision of Lot 4 of the Assessor's Division to the east line of said Lot 17; thence south along said east line of Lots 17 and 18 in the subdivision of Lot 4 of the Assessor's Division to the north line of the parcel of property bearing Permanent Index Number 14-31-326-065; thence east along said north line of the parcel of property bearing Permanent Index Number 14-31-326-065 and along the easterly extension thereof to the west line of Lot 41 in J. N. Mason's Subdivision of the west part of Lot 5 and the south 33 feet of Lot 3 of the Assessor's Division of unsubdivided land in the south half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, said west line of Lot 41 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the south line of Lot 41 in said J. N. Mason's Subdivision, said south line of Lot 41 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the east line of North Claremont Avenue; thence south along said east line of North Claremont Avenue to the point of beginning at the south line of West North Avenue.

Street Boundaries Of The Area.

The Area consists of one hundred thirty-eight (138) acres and generally includes both sides of West North Avenue between North Ridgeway Avenue and North Claremont Avenue; both sides of North Western Avenue between West North Avenue and West Haddon Avenue, extending west to North Oakley Boulevard between West Le Moyne Street and West Hirsch Street and between West Potomac Avenue and West Haddon Avenue; and both sides of West Division Street between North Oakley Avenue and North Mozart Street.

Map Of Area.

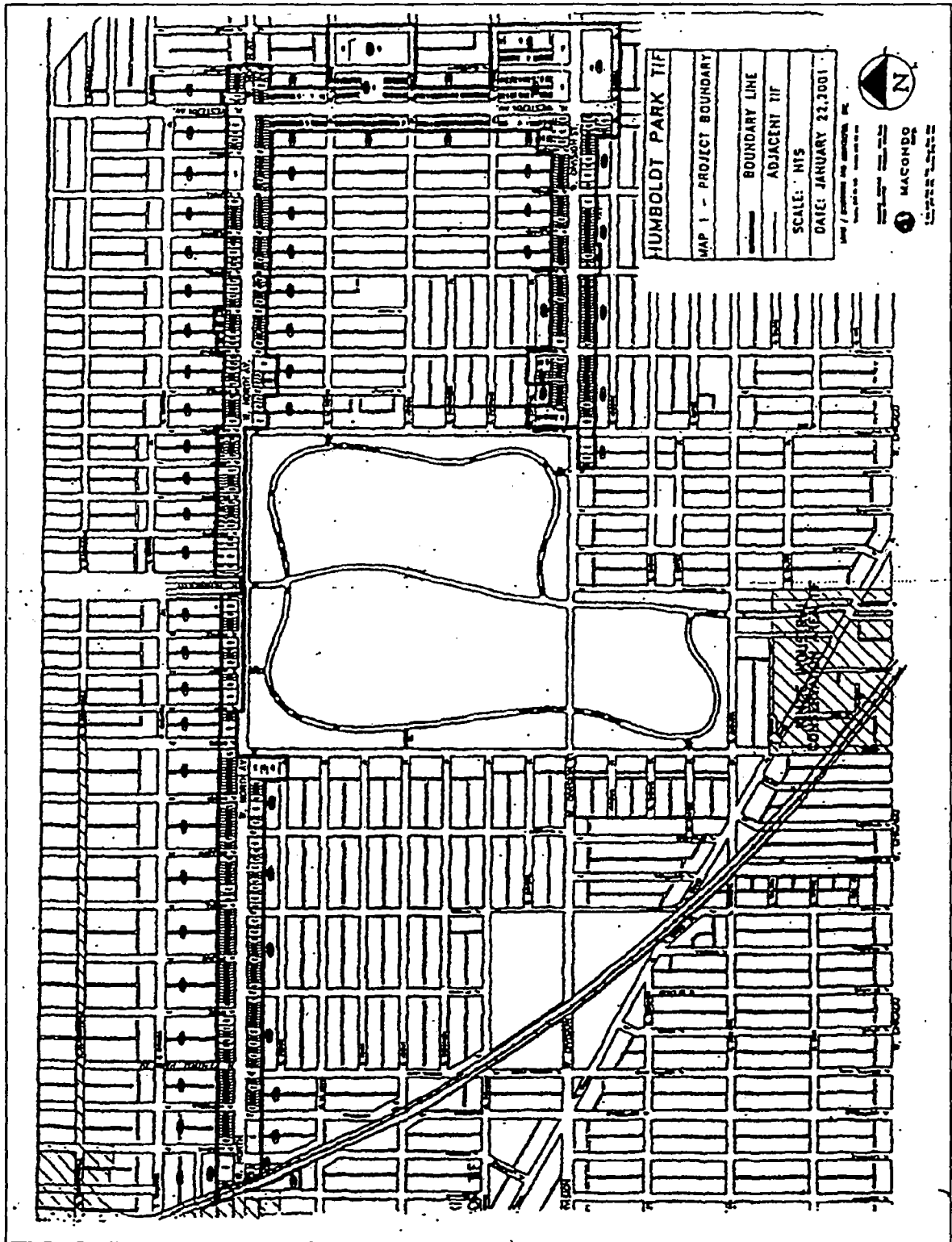


EXHIBIT B

PROPERTY

PARCEL 1:

BLOCK 6 IN WATSON, TOWER AND DAVIS' SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM SAID BLOCK 6 THE FOLLOWING DESCRIBED PARCEL:

THAT PART OF BLOCK 6 IN WATSON, TOWER AND DAVIS' SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF BLOCK 6, AFORESAID, BEING THE INTERSECTION OF THE SOUTH LINE OF WEST LEMOYNE STREET WITH THE EAST LINE OF NORTH CLAREMONT AVENUE AND RUNNING THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 6, BEING ALSO THE EAST LINE OF NORTH CLAREMONT AVENUE, A DISTANCE OF 105.19 FEET; THENCE EAST ALONG A LINE WHICH IS PERPENDICULAR TO SAID WEST LINE OF BLOCK 6, A DISTANCE OF 189.49 FEET; THENCE SOUTH ALONG A LINE WHICH IS PARALLEL WITH SAID WEST LINE OF BLOCK 6, A DISTANCE OF 41.07 FEET; TO AN INTERSECTION WITH A STRAIGHT LINE WHICH IS PERPENDICULAR TO THE EAST LINE OF SAID BLOCK 6, AT A POINT 147.10 FEET SOUTH OF THE NORTHEAST CORNER THEREOF; THENCE EAST ALONG SAID LAST DESCRIBED PERPENDICULAR LINE, A DISTANCE OF 76.52 FEET TO THE AFORESAID POINT ON SAID EAST LINE OF BLOCK 6, THENCE NORTH ALONG SAID EAST LINE OF BLOCK 6, BEING ALSO THE WEST LINE OF NORTH OAKLEY AVENUE, SAID DISTANCE OF 147.10 FEET TO THE NORTHEAST CORNER OF SAID BLOCK 6 AND THENCE WEST ALONG THE NORTH LINE OF SAID BLOCK 6, BEING ALSO THE SOUTH LINE OF WEST LEMOYNE STREET, A DISTANCE OF 265.98 FEET, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1 TO 24, BOTH INCLUSIVE, AND LOTS 26 TO 48, BOTH INCLUSIVE, ALL IN BLOCK 5 (EXCEPTING FROM SAID LOTS 26 TO 48, THAT PART LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SECTION 6, AFORESAID, TAKEN FOR WIDENING OF NORTH WESTERN AVENUE), TOGETHER WITH THE 16 FOOT VACATED ALLEY WHICH LIES EAST OF AND ADJOINING SAID LOTS 26 TO 48 AND WEST OF AND ADJOINING SAID LOTS 1 TO 23, ALL IN H. B. BOGUE'S SUBDIVISION OF BLOCKS 1, 2, 4 AND 5 IN WATSON, TOWER AND DAVIS' SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING THEREFROM LOTS 10 THROUGH 15, THE NORTH 1/2 OF LOT 16 AND THE 16.0 FOOT ALLEY LYING WEST OF AND ADJACENT TO SAID LOTS 10 THROUGH 15 AND THE NORTH 1/2 OF LOT 16), IN COOK COUNTY, ILLINOIS.

PARCEL 3:

EASEMENTS IN FAVOR OF PARCELS 1 THROUGH 2 AS CREATED BY THE DECLARATION OF EASEMENTS AND COVENANTS MADE BY SAINTS MARY AND ELIZABETH MEDICAL CENTER MAY 27, 2010 AS DOCUMENT NUMBER 1014710023, EASEMENT PURPOSES AS SET FORTH THEREIN, OVER THE TRACT OF LAND DESCRIBED IN EXHIBIT B TO SUCH DECLARATION OF EASEMENTS AND COVENANTS.

EXHIBIT C

BUILDING REHABILITATION & RELOCATION COSTS	Amount [1]	TIF Eligible [2]
Hard Costs		
General Requirements	\$ 368,087	\$ 328,150
Site Construction	\$ 890,886	\$ 794,225
Metals	\$ 44,400	\$ 39,583
Wood & Plastic	\$ 191,920	\$ 171,097
Thermal & Moisture Protection	\$ 8,880	\$ 7,917
Doors & Windows	\$ 104,074	\$ 92,782
Finishes	\$ 779,693	\$ 695,096
Conveying Systems	\$ 555,000	\$ 494,783
Mechanical	\$ 1,762,347	\$ 1,571,132
Electrical	\$ 1,126,650	\$ 1,004,408
Contingency	\$ 1,417,666	\$ 1,263,849
Subtotal: Hard Costs	\$ 7,249,602	\$ 6,463,021
Soft Costs		
Other Building Construction	\$ 100,000	\$ 100,000
Development / Testing	\$ 10,000	\$ 10,000
Architect's Fees	\$ 1,232,791	\$ 1,232,791
Other Professional Fees	\$ 250,000	\$ 250,000
Permits	\$ -	\$ -
Contingency	\$ 103,390	\$ 103,390
Subtotal: Soft Costs	\$ 1,696,181	\$ 1,696,181
Furniture, Fixtures & Equipment Costs		
Specialties	\$ 131,369	\$ -
Equipment	\$ 616,661	\$ -
Furnishings	\$ 419,563	\$ -
Special Construction	\$ 88,800	\$ -
Subtotal: FF&E Costs	\$ 1,256,392	\$ -
Relocation Costs	\$ 475,000	\$ 475,000
TOTAL BUILDING REHABILITATION COSTS	\$ 10,677,176	\$ 8,634,201
PARKING STRUCTURE REHABILITATION COSTS		
Hard Costs		
General Requirements	\$ 70,185	\$ 62,570
Concrete	\$ 395,876	\$ 352,923
Masonry	\$ 6,753	\$ 6,021
Thermal & Moisture Protection	\$ 216,930	\$ 193,393
Doors & Windows	\$ 16,882	\$ 15,050
Finishes	\$ 139,277	\$ 124,166
Mechanical	\$ 144,339	\$ 128,678
Electrical	\$ 50,645	\$ 45,150
Contingency	\$ 208,177	\$ 185,590
Subtotal: Hard Costs	\$ 1,249,064	\$ 1,113,541
Soft Costs		
Architect's Fees	\$ 95,230	\$ 95,230
Utility Operational Changes	\$ 10,000	\$ 10,000
Permits	\$ 40,000	\$ -
Contingency	\$ 7,262	\$ 7,262
Subtotal: Soft Costs	\$ 152,492	\$ 112,492
TOTAL PARKING STRUCTURE REHAB COSTS	\$ 1,401,556	\$ 1,226,033
SURFACE PARKING LOT COSTS		
Hard Costs		
General Requirements	\$ 87,968	\$ -
Site Construction [3]	\$ 685,560	\$ 366,112
Concrete	\$ 55,978	\$ -
Special Construction	\$ 87,968	\$ -
Electrical	\$ 95,964	\$ -
Contingency [4]	\$ 202,688	\$ 61,019
Subtotal: Hard Costs	\$ 1,216,125	\$ 427,131
Soft Costs [4]		
Development / Testing	\$ 20,000	\$ 7,024
Architect's Fees	\$ 171,236	\$ 60,142
Permits	\$ 40,000	\$ -
Contingency	\$ 11,562	\$ 4,061
Subtotal: Soft Costs	\$ 242,798	\$ 71,227
TOTAL SURFACE PARKING LOT COSTS	\$ 1,458,923	\$ 498,358
TOTAL DEVELOPMENT BUDGET	\$ 13,537,654	\$ 10,358,592

[1] Includes an allowance for insurance fees at 10.85% on all hard cost line-items.

[2] Excludes insurance fees.

[3] TIF-eligible hard costs include site prep and underground stormwater management.

[4] TIF-eligible costs for contingency and all soft costs are calculated as a pro-rata share of site prep and stormwater management costs associated with the surface parking lot.

EXHIBIT D

HUMBOLDT PARK COMMERCIAL REDEVELOPMENT PLAN

[Not Included for Recording]

EXHIBIT E

CONSTRUCTION CONTRACT

[Not Included for Recording]

EXHIBIT F

FORM OF JOBS CERTIFICATE

[Not Included for Recording]

EXHIBIT G

PERMITTED LIENS

Means as of any particular time:

- a. The Master Indenture (including, without limitation, the lien on Pledged Revenues as described therein);
- b. Liens arising by reason of good faith deposits by the Developer in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Developer 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 the Developer 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;
- c. Any lien on property acquired by the Developer subject to an existing lien, if at the time of such acquisition, the aggregate amount remaining unpaid on the indebtedness secured thereby (whether or not assumed by the Developer) does 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 Developer;
- d. Any lien on any property of the Developer granted in favor of or securing indebtedness to any other Credit Group Member (as such term is defined in the Master Indenture);
- e. Any lien on property of the Developer if such lien equally and ratably secures all of the Obligations (as such term is defined in the Master Indenture) and, if the Obligated Group Agent (as such term is defined in the Master Indenture) shall so determine, any other indebtedness of any Credit Group Member;
- f. Leases which relate to property of a Credit Group Member which is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, including leases for food service facilities, gift shops and emergency room, radiology or other hospital-based specialty services, pharmacy and similar departments; leases, licenses or similar rights to use property to which any Credit Group Member is a party existing as of August 27, 1999 and any renewals and extensions thereof; and any leases, licenses or similar rights to use property whereunder a Credit Group 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;

g. Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with the Master Indenture;

h. 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 or if such lien is being contested in accordance with the provisions of the Master Indenture;

i. 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;

j. Liens on or in property of the Developer 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 Credit Group Member and such liens attach solely to the property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

k. 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 the Developer 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;

l. Liens on moneys deposited by patients or others with the Developer 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;

m. Liens on property of the Developer due to rights of third party payors for recoupment of excess reimbursement paid;

n. Any security interest in a project fund, rebate fund, any depreciation reserve, debt service or interest reserve, debt service fund 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 or the holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture or Related Loan Document or the provider of any liquidity or credit support for such Related Bond or Indebtedness (as all such terms are defined in the Master Indenture);

o. Any lien on any Related Bond or any evidence of Indebtedness of any Credit Group Member acquired by or on behalf of any Credit Group Member by the provider of liquidity or credit support for such Related Bond or Indebtedness;

p. 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 Developer by more than 25%;

q. Liens on any property of the Developer existing at the time the Developer became a Credit Group Member; provided that no such lien (or the amount of Indebtedness secured

thereby) may be increased, extended, renewed or modified to apply to any property of the Developer not subject to such lien on such date unless such lien as so increased, extended, renewed or modified is otherwise permitted under the Master Indenture;

r. Liens on property of the Developer existing at the time the Developer is merged into or consolidated with another Credit Group Member, or at the time of a sale, lease or other disposition of the properties of the Developer as an entirety or substantially as an entirety to another Credit Group Member which becomes part of a property that secures Indebtedness that is assumed by another Credit Group Member as a result of any such merger, consolidation or acquisition; provided, that no such lien may be increased, extended, renewed or modified after such date to apply to any property of a Credit Group Member not subject to such lien on such date unless such lien as so increased, extended, renewed or modified is otherwise permitted under the Master Indenture;

s. Liens which secure Non-Recourse Indebtedness (as such term is defined in the Master Indenture);

t. Liens on any property of the Developer to secure any Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such liens; provided, that such liens shall not apply to any property theretofore owned by a Credit Group Member, other than any theretofore unimproved real property on which the property so constructed or improved is located;

u. Liens on property of the Developer, in addition to those liens permitted as defined above, if the total aggregate Book Value (as such term is defined in the Master Indenture) of the property subject to a lien of the type described in this subsection (u) does not exceed 25% of the Book Value of the total assets of the Developer; and

v. Mortgage, assignment of rents and leases, security agreement and fixture filing dated May 26, 2010 and recorded May 27, 2010 as Document 1014711153 made by Saints Mary and Elizabeth Medical Center, an Illinois not-for-profit corporation, to the Bank of New York Mellon Trust Company, N.A., a national banking association, as Master Trustee, to secure indebtedness not to exceed \$750,000,000.00.

EXHIBIT H-1
PROJECT BUDGET

[See Attached]

EXHIBIT H-1

BUILDING REHABILITATION & RELOCATION COSTS		Amount
Hard Costs		
General Requirements	\$	368,087
Site Construction	\$	890,886
Metals	\$	44,400
Wood & Plastic	\$	191,920
Thermal & Moisture Protection	\$	8,880
Doors & Windows	\$	104,074
Finishes	\$	779,693
Conveying Systems	\$	555,000
Mechanical	\$	1,762,347
Electrical	\$	1,126,650
Contingency	\$	<u>1,417,666</u>
Subtotal: Hard Costs	\$	7,249,602
Soft Costs		
Other Building Construction	\$	100,000
Development / Testing	\$	10,000
Architect's Fees	\$	1,232,791
Other Professional Fees	\$	250,000
Permits	\$	-
Contingency	\$	<u>103,390</u>
Subtotal: Soft Costs	\$	1,696,181
Furniture, Fixtures & Equipment Costs		
Specialties	\$	131,369
Equipment	\$	616,661
Furnishings	\$	419,563
Special Construction	\$	<u>88,800</u>
Subtotal: FF&E Costs	\$	1,256,392
Relocation Costs	\$	475,000
TOTAL BUILDING REHABILITATION COSTS		\$ 10,677,176
PARKING STRUCTURE REHABILITATION COSTS		
Hard Costs		
General Requirements	\$	70,185
Concrete	\$	395,876
Masonry	\$	6,753
Thermal & Moisture Protection	\$	216,930
Doors & Windows	\$	16,882
Finishes	\$	139,277
Mechanical	\$	144,339
Electrical	\$	50,645
Contingency	\$	<u>208,177</u>
Subtotal: Hard Costs	\$	1,249,064
Soft Costs		
Architect's Fees	\$	95,230
Utility Operational Changes	\$	10,000
Permits	\$	40,000
Contingency	\$	<u>7,262</u>
Subtotal: Soft Costs	\$	152,492
TOTAL PARKING STRUCTURE REHAB COSTS		\$ 1,401,556
SURFACE PARKING LOT COSTS		
Hard Costs		
General Requirements	\$	87,968
Site Construction	\$	685,560
Concrete	\$	55,978
Special Construction	\$	87,968
Electrical	\$	95,964
Contingency	\$	<u>202,688</u>
Subtotal: Hard Costs	\$	1,216,125
Soft Costs		
Development / Testing	\$	20,000
Architect's Fees	\$	171,236
Permits	\$	40,000
Contingency	\$	<u>11,562</u>
Subtotal: Soft Costs	\$	242,798
TOTAL SURFACE PARKING LOT COSTS		\$ 1,458,923
TOTAL DEVELOPMENT BUDGET		\$ 13,537,654

EXHIBIT H-2
MBE/WBE BUDGET

[See Attached]

EXHIBIT H-2

Hard Cost Construction Trades	Hard Cost Construction, Less Exclusions*	MBE Budget @ 24.0%	WBE Budget @ 4.0%
Site Prep	\$ 310,035		
Site Demolition/Excavation	\$ 145,000		
Utility and Stormwater Infrastructure	\$ 1,655,521		
Surface Lot Paving, Landscaping and Fencing	\$ 560,511		
Parking Structure Repairs and Replacements	\$ 853,729		
Building Demolition	\$ 283,880		
Asbestos Remediation	\$ 371,346		
Building Shell Repairs	\$ 221,569		
Mechanical Upgrades	\$ 2,674,536		
Interior Finishes	\$ 1,584,639		
Hard Cost Construction Trades Subtotal	\$ 8,660,766		
Contractor Fee / Insurance (10.85%)	\$ 1,015,106		
Construction Contingency	\$ 600,261		
Total Hard Cost Construction Budget	\$ 10,276,133	\$ 2,466,272	\$ 411,046

* Exclusions for security, furniture, equipment, and communications.

EXHIBIT I

APPROVED PRIOR EXPENDITURES

[Not Included for Recording]

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Not Included for Recording]

EXHIBIT L-1

COMPLETION PAYMENT REQUISITION FORM

[Not Included for Recording]

EXHIBIT L-2

CITY NOTE PAYMENT REQUISITION FORM

[Not Included for Recording]

such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$2,369,090 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Saints Mary and Elizabeth Medical Center, an Illinois not for profit corporation and Resurrection University, an Illinois not for profit corporation (collectively, the "Developer") in connection with the rehabilitation of certain floors of the hospital structure generally located at 1431 North Claremont Avenue, Chicago, Illinois 60622 for the operation of a nursing and other healthcare related higher educational facility (the "Project"), all within the Humboldt Park Commercial Redevelopment Project Area (the "Project Area") in the City, pursuant to a Redevelopment Agreement dated as of _____, 2011 by and between the City and Developer (the "Redevelopment Agreement"), all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on September 8, 2011 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCE. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to complete the Project and to advance funds for the renovation of certain facilities related to the Project on behalf of the City. The cost of such renovation in the amount of \$2,369,090 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

EXHIBIT M

FORM OF CITY NOTE

CITY NOTE

**REGISTERED
NO. R-1**

**MAXIMUM AMOUNT
\$2,369,090**

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (HUMBOLDT PARK COMMERCIAL
REDEVELOPMENT PROJECT AREA) (RESURRECTION UNIVERSITY PROJECT),
TAXABLE SERIES 2011**

Registered Owner: Resurrection University, an Illinois not for profit corporation

Interest Rate: 6.99%

Maturity Date: the March 1 which is ten (10) years after the issuance of the Certificate (as defined in the Redevelopment Agreement)

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note, as advanced from time to time by the Registered Owner and acknowledged by Certificate(s) of Expenditure issued by the City, to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$2,369,090 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due March 1 of each year until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, 20__.

Mayor

(SEAL)
Attest:

City Clerk

CERTIFICATE OF AUTHENTICATION

Registrar And Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Humboldt Redevelopment Project Area) (Resurrection University Project), Taxable Series 2011 of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____, 20__

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT PRINCIPAL PAYMENT PRINCIPAL BALANCE DUE

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

the within Note and does hereby irrevocably constitute and appoint _____ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

[name of current Registered Owner]

By: _____
Its: _____

Date: _____, 20__

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

* *
*

Notice: Transferor's signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company:

Signature Guaranteed: _____

Consented to as of _____, 20__ by:

CITY OF CHICAGO, acting through its
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

By: _____
Commissioner

CERTIFICATION OF EXPENDITURE

_____, 20__

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$2,369,090 Tax Increment Allocation Revenue Note
(Humboldt Park Commercial Redevelopment Project Area) (Resurrection University
Project), Taxable Series 20_____ (the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on _____, 20__ (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the Redevelopment Note as of the date hereof (subject to the hold-back provisions, if any, set forth in Section 4.03 of the Redevelopment Agreement). Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$_____ (subject to the hold-back provisions, if any, set forth in Section 4.03 of the Redevelopment Agreement), including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of _____, 20__.

CITY OF CHICAGO

By:
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT N

Community Outreach

Resurrection University shall complete the following:

1. Provide transfer guides to each of the Chicago City Colleges that have an accredited nursing program, and to the extent not previously delivered to the City, provide with its Annual Compliance Report a copy of such transfer guides.
2. Continue to visit each of the Chicago City Colleges which have accredited nursing programs twice a year to talk about healthcare careers and meet regularly with transfer center directors, appropriate college academic advisors and student health organizations, and provide with its Annual Compliance Report a schedule evidencing these visits.
3. Use reasonable efforts to outreach with Instituto del Progreso Latino's Carreras en Salud program to provide mentoring programs, career planning days and shadow programs, in an effort to bring limited English-proficient individuals into healthcare professions, and provide in its Annual Compliance Report, a description of its outreach efforts (including written correspondence offering such programs) to Carreras en Salud and/or a copy of any agreement reached with Carreras en Salud.
4. Provide evidence of outreach efforts with (i) Instituto del Progreso Latino to provide health care IT programs and BSN completion programs, and (ii) Health Sciences Career Academy to establish career counseling programs.
5. Provide documentation regarding outreach and shadowing programs specific to each of the area high schools (Clemente, Josephinum, IHSCA, and Wells), as well as the schedules for the four annual career days (one annually at each of the four area high schools) and three annual open houses which include university tours offered by Resurrection University.
6. Provide a copy of the executed agreement with SMEMC or other documentation that six annual summer internships have been provided to Chicago Public School students.
7. Provide the schedule for the twelve annual career fairs on Chicago City College campuses attended by Resurrection University, and the six community health fairs sponsored by either Resurrection University or SMEMC.
8. Provide, prior to the second anniversary of the Certificate of Completion, documentation demonstrating that two scholarships are being provided for local area residents who attended a Chicago City College.