

**FY 2018
ANNUAL TAX INCREMENT FINANCE
REPORT**



**STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA**

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

Reporting Fiscal Year: **2018**
Fiscal Year End: **12/31/2018**

TIF Administrator Contact Information

First Name: Eleanor Last Name: Esser Gorski
Address: City Hall, 121 N LaSalle Title: Administrator
Telephone: (312) 744-4190 City: Chicago Zip: 60602
Email- TIFreports@cityofchicago.org
required

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of: City of Chicago is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

Eleanor Gorski 6/28/2019
Written signature of TIF Administrator Date

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

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	1/10/1996	12/31/2020
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

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

60th/Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2019
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet/Cermak	7/29/1998	12/31/2018
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2018
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-First Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019

X

Greater Southwest Industrial (East)	3/10/1999	12/31/2023
Greater Southwest Industrial (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park	9/9/1998	9/9/2021
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2022
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Kedzie	2/16/2000	12/31/2024
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln/Belmont/Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
North Branch North	7/2/1997	12/31/2021
North Branch South	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North/Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/31/2022
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2023
Randolph/Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2018
Read/Dunning	1/11/1991	12/31/2018
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021

Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/9/2008	12/31/2018
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

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

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Name of Redevelopment Project Area (below): <p style="text-align: center;">LaSalle Central Redevelopment Project Area</p>
Primary Use of Redevelopment Project Area*: Commercial

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

If 'Combination/Mixed' List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): <div style="display: flex; justify-content: space-between; align-items: center;"> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> Industrial Jobs Recovery Law <input type="checkbox"/> </div>

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis <u>MUST</u> be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (g) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements (labeled Attachment M).		X

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

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TIF NAME: LaSalle Central Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period:

\$ 49,982,793

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 69,007,881	\$ 273,466,310	96%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ (161,020)	\$ 1,311,875	0%
Land/Building Sale Proceeds		0	0%
Bond Proceeds		0	0%
Transfers from Municipal Sources		\$ 8,600,000	3%
Private Sources		0	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 121,236	\$ 263,365	0%

All Amount Deposited in Special Tax Allocation Fund

\$ 68,968,097

Cumulative Total Revenues/Cash Receipts

\$ 283,641,550

100%

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

\$ 11,880,023

Transfers to Municipal Sources

\$ 7,300,000

Distribution of Surplus

\$ 15,000,000

Total Expenditures/Disbursements

\$ 34,180,023

Net Income/Cash Receipts Over/(Under) Cash Disbursements

\$ 34,788,074

FUND BALANCE, END OF REPORTING PERIOD*

\$ 84,770,867

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

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY
(Total and Cumulative Values Carried Forward to Section 3.1)**

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TIF NAME: LaSalle Central Redevelopment Project Area

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 236
Note Proceeds		0
Non-compliance Payment		0
Excess Reserve Requirement		\$ 821
Build America Bonds Subsidy		0
Collection Returns	\$ 117,182	\$ 258,254
Credits from Expenditures	\$ 4,054	\$ 4,054

Total Schedule of "Other" Sources During Reporting Period \$ 121,236

Cumulative Total Schedule of "Other" Sources \$ 263,365

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

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TIF NAME: LaSalle Central Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 854,584	
		\$ 854,584
2. Annual administrative cost.		
3. Cost of marketing sites.		\$ -
4. Property assembly cost and site preparation costs.		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
	\$ 3,045,379	
6. Costs of construction of public works or improvements.		\$ 3,045,379
	\$ 7,980,060	
		\$ 7,980,060

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 11,880,023

Section 3.2 B

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TIF NAME: LaSalle Central Redevelopment Project Area

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

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

Name	Service	Amount
City Staff Costs (1)	Administration	\$833,575.00
City Program Management Costs	Administration	\$21,009.59
United Air Lines Inc.	Development	\$3,045,378.78
Transystems Corp.	Public Improvement	\$17,820.46
Terracon Consulting	Public Improvement	\$75,634.00
Southwest Industries	Public Improvement	\$1,012,083.72
Paschen Divane JV	Public Improvement	\$17,363.86
Leopardo Companies	Public Improvement	\$3,350,967.03
Kenny Construction	Public Improvement	\$133,236.52
Gordian Group	Public Improvement	\$46,634.30
FH Paschen SN Nielsen & Associates	Public Improvement	\$68,322.07
D.B. Sterlin Consultants	Public Improvement	\$152,592.03
Chicago Transit Authority	Public Improvement	\$1,909,122.00
Chicago Department of Transportation	Public Improvement	\$1,196,284.50

(1) Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

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

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TIF NAME: LaSalle Central Redevelopment Project Area

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

 X Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

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TIF Name: LaSalle Central Redevelopment Project Area

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	_____ X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	10

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 37,369,338	\$ -	\$ 107,720,929
Public Investment Undertaken	\$ 37,662,668	\$ 8,141,738	\$ 66,782,807
Ratio of Private/Public Investment	0/0	-	1 46/75

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Ziegler (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 5,847,280	-	\$ 0
Public Investment Undertaken	\$ 724,800	-	\$ 0
Ratio of Private/Public Investment	8 6/89	-	

Project 2*: United Airlines Inc. (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 45,896,881
Public Investment Undertaken	\$ 25,772,273	\$ 5,891,527	\$ 25,889,769
Ratio of Private/Public Investment		-	1 17/22

Project 3*: NAVTEQ (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 23,583,483
Public Investment Undertaken	\$ 4,500,000	\$ 500,000	\$ 5,000,000
Ratio of Private/Public Investment		-	4 43/60

Project 4*: MillerCoors - 250 S. Wacker (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 21,500,000	-	\$ 0
Public Investment Undertaken	\$ 5,775,000	-	\$ 0
Ratio of Private/Public Investment	3 60/83	-	

Project 5*: Lyric Opera Building (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 990,188	-	\$ 0
Public Investment Undertaken	\$ 454,478	-	\$ 0
Ratio of Private/Public Investment	2 5/28	-	

Project 6*: Accretive Health (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 3,480,987	-	\$ 0
Public Investment Undertaken	0	-	\$ 0
Ratio of Private/Public Investment		-	

Project 7*: Riverside Park - II (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 11,765,398
Public Investment Undertaken	0	\$ 1,750,210	\$ 29,500,000
Ratio of Private/Public Investment		-	2/5

Project 8*: JMC Steel Group HQ (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 3,301,312
Public Investment Undertaken	\$ 336,117	-	\$ 840,029
Ratio of Private/Public Investment		-	3 53/57

Project 9*: DeVry Office (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 5,550,883	-	\$ 0
Public Investment Undertaken	\$ 100,000	-	\$ 0
Ratio of Private/Public Investment	55 29/57	-	

Project 10 Presence Care Transformation Corp (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 23,173,855
Public Investment Undertaken	0	-	\$ 5,553,009
Ratio of Private/Public Investment		-	4 9/52

Project 11

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 12

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 13

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 14

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 15

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Section 5 Notes

FY 2018

TIF NAME: LaSalle Central Redevelopment Project Area

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

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

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of complete TIF report**

SECTION 6

FY 2018

TIF NAME: LaSalle Central Redevelopment Project Area

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

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

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

_____ Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention:

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

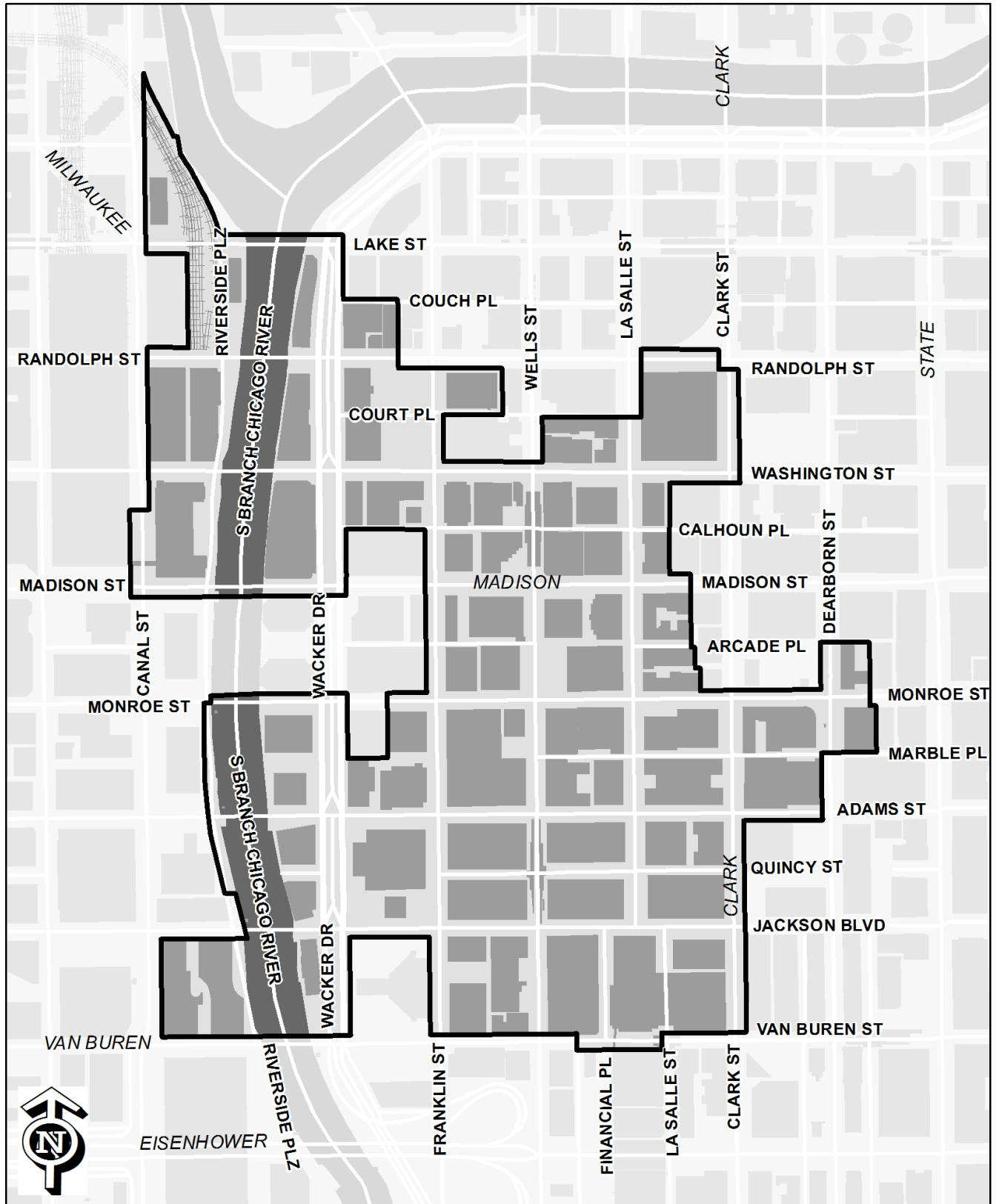
SECTION 8

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

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

LaSalle Central TIF

2018 Annual Report



STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

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

Janice Jackson
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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

Jay Stewart
Interim Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

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

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

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

I, Lori E. Lightfoot, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq, (the “Act”) with regard to the LaSalle Central Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

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


Attachment B

2. During the preceding fiscal year of the City, being January 1 through December 31, 2018, the City complied, in all material respects, with the requirements of the Law, as applicable from time to time, regarding the Redevelopment Project Area.

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

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

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 28th day of June, 2019.


Lori E. Lightfoot, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW
CITY OF CHICAGO

June 28, 2019

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

Janice Jackson
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

Daryl Okrzesik
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Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

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

Re: LaSalle Central Redevelopment Project Area
(the "Redevelopment Project Area")

Dear Addressees:

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

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

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

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

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

Very truly yours,



Mark A. Flessner
Corporation Counsel

SCHEDULE 1

June 28, 2019

CERTIFICATION

Acting Commissioner
Department of Planning and Development
City of Chicago

I, Eleanor Esser Gorski, am the Acting Commissioner of the Department of Planning and Development (“DPD”) of the City of Chicago, Illinois (the “City”) and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the “Law”), as the case may be, in connection with the submission of an annual report (the “Report”) containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the “Redevelopment Project Areas”).

I hereby certify the following to the Corporation Counsel of the City:

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under the supervision of my predecessor Commissioner and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,



Eleanor Esser Gorski
Acting Commissioner
Department of Planning and Development

FY 2018

TIF NAME: LaSalle Central Redevelopment Project Area

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

<u>Name of Project</u>
Presence Care Transformation Corp

17021445 NC CW



Doc# 1818022051 Fee \$182.00

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

RHSP FEE:\$9.00 RPRF FEE: \$1.00 KAREN A. YARBROUGH COOK COUNTY RECORDER OF DEEDS DATE: 06/29/2018 01:56 PM PG: 1 OF 73

PRESENCE CARE TRANSFORMATION CORPORATION REDEVELOPMENT AGREEMENT

This Presence Care Transformation Corporation Redevelopment Agreement (this "Agreement") is made as of this 29th day of June, 2018, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Presence Care Transformation Corporation, an Illinois not-for-profit corporation (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 November 15, 2006: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the LaSalle Central Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the LaSalle Central Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the LaSalle Central Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The TIF Ordinances were corrected by ordinances adopted by the City Council on February 7, 2007 and May 9, 2007. The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

Box 400

Bm

D. The Property. The Headquarters (as defined herein) is located in the Redevelopment Area at 200 South Wacker Drive, Floors 11 and 12, Chicago, Illinois 60606, in leased space at the property legally described in Exhibit B (the "Property").

E. The Project: The Developer, as a tenant of the Property, has renovated the Headquarters and intends to renovate or rehabilitate other properties located within the City, as follows (as used in this Recital E, references to Developer include Developer's present and former Affiliates):

i. Headquarters: The Developer has completed the build out of 44,486 square feet of leased space at the Property, and shall locate its Officers (as defined herein) and other leadership and corporate administration teams, operate the Property as the Headquarters of the Developer, and locate a total of approximately 200 employees at the Property (the "Headquarters"). Some of the Headquarters employees and Officers may divide their time between the Headquarters, the four other facilities included in the Project (as defined herein), and other sites occupied by the Developer and/or its affiliates within the City of Chicago.

ii. Presence Saints Mary and Elizabeth Medical Center, Center for Cancer and Specialty Care: The Developer has renovated a former convent owned by the Developer located at 2216 West Thomas Street, Chicago, Illinois 60622 into a state of the art cancer center named Presence Saints Mary and Elizabeth Medical Center, Center for Cancer and Specialty Care (the "Cancer Center"). The Cancer Center project includes the substantial renovation of 7,300 square feet, demolition of 1,700 square feet, and construction of 5,900 square feet of additional space. This renovation resulted in a net increase in building area of 4,200 square feet. The Cancer Center will provide state-of-the-art infusion and radiation treatments for approximately 13,500 patients. Patient and family centered care will be enhanced through: enhanced radiation oncology and imaging capabilities which will be updated to current market standards, financial counseling services to help patients who have difficulty paying medical bills, dedicated dietetic services for cancer patients, a patient-centered reception area focused on education, and a community resource center. The Cancer Center will have private treatment rooms, an in-house pharmacy, a dedicated, personal care navigator, and a community room for support groups, educational and social activities.

iii. Avondale Presence Neighborhood Medical Home: The Avondale Presence Neighborhood Medical Home, located at 2929 North California Avenue, Chicago, Illinois 60618 is an \$884,000 investment in tenant improvements to a previously vacant 8,000 square foot building leased by Developer. The Developer has converted the building into a patient centered medical facility which provides an integrated system of service for approximately 1,000 patients (the "Avondale Medical Home"). The Avondale Medical Home will provide an integrated system of services focused on prevention, health maintenance, and chronic disease management as part of primary care. The facility connects patients with a primary care physician and a team of care providers who are focused on promoting long-term health. This team-based care approach includes: physicians and midlevel providers, medical assistants, patient representative, practice manager, registered nurse care coordinator, licensed certified social worker, and dietitian.

iv. Calumet Heights Unite Here Presence Neighborhood Medical Home: The Developer will make extensive interior and exterior renovations to the building of an

established medical practice, Calumet Heights Unite Here Presence Neighborhood Medical Home located at 9000 South Stony Island Avenue, Chicago, Illinois 60617 (the "Calumet Heights Medical Home"). The existing medical practice occupies 4,935 square feet and is currently owned by Developer. The project will expand into some currently underutilized space in the same building to occupy 6,215 square feet. The project is to renovate, update, and expand the space to improve and expand the services offered. The Calumet Heights Medical Home will serve approximately 4,200 patients from Chicago's south side communities. The practice focuses on internal medicine, cardiology and infectious disease care for high risk patients.

v. Belmont-Cragin Presence Neighborhood Medical Home: The Developer has relocated and expanded an existing Presence Medical Group practice located at 5322 West Fullerton Avenue, Chicago, Illinois 60639 and leased space at 2257-59 North Cicero Avenue, Chicago, Illinois 60639 to establish a patient centered medical home (the "Belmont-Cragin Medical Home"). This redevelopment expanded the current medical practice from 1,640 square feet to approximately 6,000 square feet and will serve approximately 4,000 patients. In addition to primary care, the facility will provide care management and care coordination across health care settings. The facility connects patients with a primary care physician and a team of care providers who work to promote long-term health.

The Headquarters, Cancer Center, Avondale Medical Home, Calumet Heights Medical Home, and Belmont-Cragin Medical Home (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project". The Project includes the following permanent index numbers (the "Project PINs" or the "PINs"):

<u>Project</u>	<u>PIN(s)</u>
<u>Headquarters</u>	<u>17-16-214-002-0000; 17-16-214-003-0000</u>
<u>Avondale Medical Home</u>	<u>13-25-215-034-0000; 13-25-215-033-0000; 13-25-215-007-0000</u>
<u>Belmont-Cragin Medical Home</u>	<u>13-34-107-001; 13-34-107-002; 13-34-107-003; 13-34-107-004; 13-34-107-005; 13-34-107-006; 13-34-107-007; 13-34-107-008; 13-34-107-009; 13-34-107-010; 13-34-107-011; 13-34-107-012; 13-34-107-013</u>
<u>Calumet Heights Medical Home</u>	<u>25-02-226-009; 25-02-226-010; 25-02-226-011</u>
<u>Cancer Center</u>	<u>17-06-301-024</u>

The Project will create a substantial public benefit through its creation or retention of not less than (200) FTE positions (as defined below) at the Headquarters . It is also anticipated that the Project has or will create 128 construction-related jobs and will create or retain approximately thirty-nine (39) permanent full-time positions at the other four locations.

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

Area Project and Plan (the "Redevelopment Plan") included in the TIF Ordinances and published at pages 92019 to 92099 of the Journal of the Proceedings of the City Council (the "Journal") of November 15, 2006, as amended by ordinances adopted on February 7, 2007 and published in the Journal for said date at pages 97850 to 97855, and on May 9, 2007 and published in the Journal for said date at pages 104253 to 104259.

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

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

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

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

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

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.

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

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

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

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

“Avondale Medical Home” shall have the meaning set forth in the Recitals hereof.

“Belmont-Cragin Medical Home” shall have the meaning set forth in the Recitals hereof.

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

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

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

“Calumet Heights Medical Home” shall have the meaning set forth in the Recitals hereof.

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

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

"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 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.

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

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

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

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

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

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

"Developer" shall mean Presence Care Transformation Corporation, an Illinois not-for-profit corporation, together with its permitted successors and/or assigns.

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

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

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called

"Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in **Section 4.01** hereof, which amount may be increased pursuant to **Section 4.06** (Cost Overruns) or **Section 4.03(b)(6)**.

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

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

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

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

- i. Financial Statements for Developer for the fiscal year ending December 31, 2017 shall consist of the Presence Health Network audited Financial Statements for such period;
- ii. Financial Statements for Developer for subsequent periods, to the extent required by Section 8.13 hereof, shall consist of (A) the Ascension Health Alliance ("Ascension") audited Financial Statements for Ascension's fiscal year ending June 30, 2018, which shall include a column within the Supplementary Information showing audited results for Developer for March 1, 2018 through June 30, 2018 (January 1, 2018 through February 28, 2018 results for Developer will not be audited), (B) Ascension audited Financial Statements for each fiscal year thereafter, which shall include a column within the Supplementary Information showing audited results for Developer for such fiscal year, and (C) unaudited quarterly reports for Ascension (if requested by DPD pursuant to Section 8.13 hereof);
- iii. As a result of Developer's affiliation with Ascension as of March 1, 2018, the audited results for Developer for periods subsequent to March 1, 2018 will not be comparable to audited results for Developer for prior periods, due to the changes in valuation of assets and liabilities (as required by generally accepted accounting principles), changes in the composition of entities included in the consolidated results, changes in the fiscal year end, and the adoption of Ascension accounting policies and procedures.

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

"Full-Time Equivalent Employee" or **"FTE"** shall mean a permanent full-time position of

the Developer (or, with respect to job shares or similar work arrangements, such employees taken collectively) that requires work hours totaling at least 35 hours per week, and that is based at the Headquarters during the preceding year and shall not include persons employed as independent contractors, third party service providers, consultants or persons employed by the Developer in positions ancillary to the Developer's operations at the Headquarters, including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

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

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

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

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

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof. Incremental Taxes shall also include amounts, if any, transferred into the TIF Fund from contiguous redevelopment project areas pursuant to Section 5/11-74.4-4(q) of the Act.

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

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

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

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

"LaSalle Central Redevelopment Area" shall mean the Redevelopment Area established pursuant to ordinances adopted on November 15, 2006, as amended, in connection with the adoption of the LaSalle Central Redevelopment Plan.

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

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

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

"**Letter of Credit**" shall mean the irrevocable letter of credit that the Developer must issue to the City in accordance with Section 4.03(e) hereof.

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

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

"**Master Trust Indenture**" means that certain master trust indenture, dated as of November 1, 1999, among Ascension Health Alliance d/b/a Ascension (or any successor or substitute entity to Ascension under the master trust indenture) and any other entities from time to time party thereto, and U.S. Bank National Association (or a successor), as master trustee, as amended, supplemented or restated from time to time, and any master trust indenture entered into in substitution thereof.

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

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

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

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

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

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

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

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

"**Officers**" shall mean certain of Developer's executive and senior officer level employees performing the primary executive, financial, and policy making functions for the Developer.

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

“Payment Trigger” shall have the meaning set forth in **Section 4.03(c)** 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 construction documents, and any amendments thereto, containing a site plan and working drawings and specifications for each portion of the Project, as submitted to the City as the basis for obtaining building permits for such portion of the Project.

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

“Prior TIF Financings” shall mean, collectively, the following: Accretive Health, JMC Steel Group, Miller Coors and United Airlines.

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

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

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

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

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

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

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

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

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2016, dated within 75 days prior to the Closing Date or such earlier date as may be acceptable to the City, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Headquarters and related improvements as required by the City or lender(s) providing Lender Financing).

“Sustainability Requirement” shall have the meaning set forth for such term in **Section 8.22** hereof.

Term of the Agreement shall mean the period of time commencing on the Closing Date and ending on the earlier of December 31, 2030, the date on which the Redevelopment Area is no longer in effect or the date the Agreement is terminated pursuant to **Section 15**.

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

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

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

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

TIF Fund shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

TIF-Funded Improvements shall mean those improvements at the Headquarters which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Headquarters.

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

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

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. With respect to the Project, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.16** hereof: (i) complete construction of the Headquarters and conduct business operations therein no later than October 31, 2013, (ii) complete construction of the Avondale Medical Home and conduct business operations therein no later than November 30, 2014, (iii) complete construction of the Belmont-Cragin Medical Home and conduct business operations therein no later than October 31, 2017, (iv) complete construction of the Calumet Heights Medical Home and conduct business operations therein no later than December 31, 2018, and (v) complete construction of the Cancer Center and conduct business operations therein no later than December 31, 2016.

Developer shall be bound by the Operating Covenant, Jobs Covenants, and other obligations and deadlines described in **Section 8.06** and elsewhere in this Agreement.

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

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty-Eight Million Seven Hundred Twenty-Six Thousand Eight Hundred and Sixty-Four Dollars (\$28,726,864). Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in **Section 4.02** hereof, shall be sufficient to complete the Project. Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

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

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City

ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly construction progress reports detailing the status of the Calumet Heights Medical Home, including a revised completion date, if necessary (with a delay in the completion of the Calumet Heights Medical Home by 180 days being considered a Change Order, requiring DPD's written approval pursuant to **Section 3.04**).

3.08 Inspecting Agent or Architect. An architect (which may be Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Calumet Heights Medical Home. The inspecting agent or architect shall perform periodic inspections with respect to the Calumet Heights Medical Home, providing certifications with respect thereto to DPD.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Twenty-Eight Million Seven Hundred Twenty-Six Thousand Eight Hundred and Sixty-Four Dollars (\$28,726,864), with such amount to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	\$28,726,864
ESTIMATED TOTAL	\$28,726,864

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

4.03 City Funds.

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

(b) Payment of City Funds.

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

<u>Project Phase</u>	<u>Source of City Funds</u>	<u>Maximum TIF Assistance</u>
Headquarters	Available Incremental Taxes	\$5,553,009

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of (a) the Maximum TIF Assistance as set forth above, or (b) 19.331% of the Total Project Cost; provided further, in the event that the Total Project Cost is less than \$28,726,864, the total amount of City Funds shall be reduced by \$1.00 for every \$1.00 (or portion thereof) by which the Total Project Cost is less than \$28,726,864.

2. The City's financial commitment to provide Available Incremental Taxes for such purposes is subject to the Prior TIF Financings and the availability of sufficient Available Incremental Taxes.
3. Subject to the terms and conditions of this Agreement, payments of the City Funds shall be made to the Developer in installments (each, an "Installment") upon the Developer's submission of a Requisition Form in accordance with Section 4.03(c). Such Installments shall be in the amount set forth in Section 4.03(c); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the applicable Maximum TIF Assistance.
4. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement.
5. If, at the time the City issues the Certificate, Developer has not satisfied the Sustainability Requirement described in Section 8.22, then the City Funds shall

be reduced by ten percent (10%) and such reduction shall be taken from Payment 1, as described in Section 4.03(c).

6. The Developer acknowledges and agrees that the City's obligation to pay Installments of City Funds in an amount not to exceed the applicable Maximum TIF Assistance is contingent upon the fulfillment of the conditions set forth in (1) through (5) 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. In the event that such condition is not fulfilled, the amount of Equity and/or Lender Financing to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

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

<u>Installment</u>	<u>Payment Trigger</u>	<u>Maximum Payment Amount</u>
Payment 1	Later of Issuance of Certificate or June 30, 2018	\$4,000,000*
Payment 2	One Year Anniversary of Payment 1	\$500,000*
Payment 3	Two Year Anniversary of Payment 1	\$500,000*
Payment 4	Three Year Anniversary of Payment 1	\$553,009*

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

(d) Other Conditions for Payment of City Funds. In addition to any other conditions stated in this Agreement, the following conditions must be met before any City Funds are paid to the Developer:

1. Issuance of the Certificate by the City to Developer;
2. Delivery by Developer of the Letter of Credit to the City;
3. Developer has submitted evidence acceptable to DPD that the actual Total Project Cost is equal to, or in excess of, the Total Project Cost reflected in the Project Budget; and
4. The Developer has submitted to DPD the Requisition Form with any and all documents required by this Agreement.

(e) Letter of Credit. Concurrently with submitting the Requisition Form for Payment 1, the Developer will be required to purchase and deliver to the City an irrevocable Letter of Credit (which may be obtained through a letter of credit facility maintained by Developer or any

direct or indirect parent entity of Developer), which is valid and in a form acceptable to the City naming the City as the sole beneficiary for the full amount of Payment 1. Concurrently with submitting a Requisition Form for Payments 2 through 4, the Developer will be required to increase the amount of the Letter of Credit to match the amount of funds previously disbursed plus the amount of City Funds requested on each additional Requisition Form. The Letter of Credit shall be maintained for the duration of the Compliance Period and the principal amount of the Letter of Credit will decrease in accordance with the schedule presented below.

Year 1	100% of City Funds disbursed
Year 2	100% of City Funds disbursed
Year 3	100% of City Funds disbursed
Year 4	100% of City Funds disbursed
Year 5	100% of City Funds disbursed
Year 6	100% of City Funds disbursed
Year 7	80% of City Funds disbursed
Year 8	60% of City Funds disbursed
Year 9	40% of City Funds disbursed
Year 10	20% of City Funds disbursed

At no point through the end of Year 6 from the issuance of the Certificate will the amount of the Letter of Credit be less than the amount of City Funds disbursed to Developer. The reduction in the Letter of Credit shall coincide with the submission, by the Developer, of the Annual Compliance Report evidencing that all ongoing requirements of this Agreement have been satisfied during the preceding year. After the Compliance Period has ended, the Letter of Credit can be cancelled. In the event of default under this Agreement, the City shall have the right to immediately draw the full principal amount of the Letter of Credit.

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

A Requisition Form for Payment 1 shall be submitted following the issuance of the Certificate. Subject to the availability of Available Incremental Taxes and the submission of a Requisition Form no fewer than sixty (60) days prior to the payment, the City will make reasonable effort to pay the Developer Payment 1 by the earlier of the first quarter of the calendar year following the issuance of the Certificate or 180 days of the issuance of the Certificate.

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

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget (which approval may be obtained after the date of this Agreement), shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to **Section 4.01** hereof.

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

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

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

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

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

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

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

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

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

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

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

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being terminated, suspended and/or reimbursed as provided in Section 15 hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing, 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, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project.

5.05 Lease and Title. On the Closing Date, Developer has furnished the City with copies of the Title Policy for its leasehold to the Headquarters, 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 exceptions related to the Property owner's fee title to the Property not cause by Developer and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel,

including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding (as applicable): zoning (3.1 with parking), contiguity, location, access and survey. Developer has provided to DPD, on or prior to the Closing Date, documentation related to the leasing of the Headquarters and certified copies of all easements and encumbrances of record with respect to its leasehold in the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

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

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

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

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

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

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

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

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

5.13 Intentionally Omitted.

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

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

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer that could have a material adverse effect on the ability of Developer to perform its obligations under this Agreement, 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. (a) The City has approved the Developer's selection of Bear Construction Company, as the General Contractor with respect to the Headquarters. The Developer has submitted copies of the Construction Contract, and all amendments thereto, entered into between the Developer and the General Contractor to DPD.

(b) Copies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements for the Headquarters portion of the Project shall be provided to DPD.

6.02 Intentionally Omitted.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit N hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

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

- i. The Developer has completed construction of the Project in accordance with the Plans and Specifications;
- ii. The Project as a whole and each portion of the Project, individually, are fully open for business and have received a Certificate of Occupancy from the City's Building Department, and the Developer has provided documentation satisfactory to DPD that the Developer has complied with all building permit requirements for the Project;
- iii. The City's Monitoring and Compliance unit has determined in writing that the Developer is in complete compliance with all City Requirements (M/WBE, City Residency, and Prevailing Wage) with respect to the Headquarters;
- iv. The Developer has submitted adequate documentation that the Total Project Cost is at least \$28,726,864; provided, however, that in the event that the Total Project Cost is less than \$28,726,864, the total amount of City Funds shall be reduced by \$1.00 for every \$1.00 (or portion thereof) by which the Total Project Cost is less than \$28,726,864, as described in Section 4.03(b);
- v. The Developer has submitted evidence acceptable to the DPD that the Developer has met the Sustainability Requirement for the Headquarters; provided, however, that in the event that the Sustainability Requirement is not met then the City Funds shall be reduced by ten percent (10%), as described in Section 4.03(b);
- vi. Developer has delivered the Letter of Credit to the City;
- vii. At least 200 FTE positions have been created or retained at the Headquarters, as evidenced by the Jobs and Occupancy Certificate;
- viii. Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, \$5,553,009; and
- ix. There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute

an Event of Default.

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

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates to the completion of the entire Project. Upon issuance of the Certificate, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete the Project have been satisfied. After the issuance of the 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. 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(c), 8.20, 8.23** and **8.25** as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of the Certificate; provided, that upon the issuance of the Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of the Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

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

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

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

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

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

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

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

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

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

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

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

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

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

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

(j) Except as may be permitted under the terms of the Master Trust Indenture, during the Compliance Period, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached

thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business which would impair Developer's ability to perform under this Agreement; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity other than other Members of the Obligated Group; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition which would impair Developer's ability to perform under this Agreement;

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

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

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

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

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

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "**Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Operating Covenant; Job Creation and Retention.

(a) **Operating Covenant.** The Developer, or its direct or indirect subsidiary corporations, shall continuously occupy and operate the Cancer Center, Avondale Medical Home, Calumet Heights Medical Home, and Belmont-Cragin Medical Home in the general manner described in **Recital E** for the term of the Compliance Period. In the event leases for the Avondale Medical Home and Belmont-Cragin Medical Home are terminated prior to the end of the Compliance Period, the Developer shall operate a substitute comparable facility within an economically-disadvantaged area of the City for the duration of the Compliance Period. If the Developer proposes to operate in a substitute facility, or proposes to offer healthcare services which are materially different from the services described on Recital E, prior written approval from the City must be obtained. The City, in its sole discretion, shall grant or withhold such approval within sixty (60) days of receipt of a written request from the Developer.

The Developer shall also continuously occupy and operate its leased space at the Property as the Headquarters in the manner described in **Recital E** for the term of the Compliance Period. In the event the Developer does not renew its lease at the Headquarters (such lease expiring May 31, 2025), the Developer may relocate to another space within the boundaries of the LaSalle Central Redevelopment Area. The Developer must obtain prior written approval from the City prior to moving the Headquarters to another location. If, at any time during the Compliance Period, the Developer relocates the Headquarters outside of the LaSalle Central Redevelopment Area, such relocation shall be considered an event of default. The City, in its sole discretion, shall grant or withhold such approval within sixty (60) days of receipt of a written request from the Developer.

The requirements of this **Section 8.06(a)** are, collectively, referred to herein as the "Operating Covenant." A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure. If the Developer fails to satisfy the Operating Covenant, the City shall have the right to halt payment or seek reimbursement of City Funds paid to the Developer and to terminate this Agreement.

(b) **Jobs Covenant.** The Developer shall adhere to the following job creation and

retention standards (collectively the “**Jobs Covenant**”):

(i) Prior to the date the Developer requests the City to issue the Certificate under **Section 7.01** hereof, the Developer shall have created or retained not less than 200 FTE positions at the Headquarters;

(ii) During the Compliance Period, the Developer shall maintain at least 200 FTE positions at the Headquarters.

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

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

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

8.07 Intentionally Omitted.

8.08 Intentionally Omitted.

8.09 Prevailing Wage. Developer represents that with respect to the Headquarters, the Developer has paid, and has caused its General Contractor and each subcontractor to pay, the then-effective prevailing wage rate as ascertained by the Illinois Department of Labor (the “**Department**”) at the time the Headquarters was constructed, to all Headquarters employees. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this **Section 8.09**.

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

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended December 2017 and each fiscal year thereafter (such fiscal years currently ending on June 30) throughout the Compliance Period. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

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

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

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

8.17 Compliance with Laws.

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

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

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against Developer's leasehold in the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, its leasehold interest in the Property or the Project, or become due and payable, and which create, may create a lien upon Developer or all or any portion of its leasehold interest in the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, its leasehold interest in the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of its leasehold interest in the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

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

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect. While the Developer may not request the Property owner to seek any exemption, this Agreement does not preclude or prohibit the Property owner from seeking an exemption.

(ii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property. While the Developer may not request the Property owner to seek any reduction in real estate taxes, this Agreement does not preclude or prohibit the Property owner from

initiating, seeking or applying for proceedings in order to lower the assessed value of all or any portion of the Property.

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property.

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

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

8.20 Annual Compliance Report. During the Compliance Period, the Developer shall submit to DPD the Annual Compliance Report on or before February 1st of the year after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Sustainability Requirement. As to the Headquarters, the Developer has received a LEED Silver Certification (LEED for Commercial Interiors (V2009)). The following evidence of such certification has been provided to and approved by DPD's Sustainable

Development Unit: 1) a LEED for Commercial Interiors Checklist; and 2) a LEED Silver certification.

8.23 FOIA and Local Records Act Compliance.

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

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

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

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

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this **Section 9** or elsewhere in this Agreement shall be true, accurate, and

complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Headquarters 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 Headquarters, and shall require

inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

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

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

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

In the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual

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

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the construction of the Headquarters portion 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 26 percent by MBEs.
- (2) At least six percent by WBEs.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Headquarters by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the

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

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

(e) **Intentionally Omitted.**

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

(g) 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 Headquarters construction via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the

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

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

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

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

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

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

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

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

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may

be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory

or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation (except as permitted pursuant to Section 8.01(j) hereof), of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which has a material adverse effect on Developer's ability to perform its obligations under this Agreement and which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer;

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

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

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

15.02 Remedies. Upon the occurrence of an Event of Default, the City may immediately draw the full principal amount of the Letter of Credit, terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend or permanently discontinue continued disbursement of City Funds and/or seek reimbursement of any City Funds paid. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.01(j)(2) (in the event of a sale or transfer of the Project or any part thereof for any use other than as set forth in Recital E during the Compliance Period), the Developer agrees to pay and remit to the City an amount equal to five percent (5%) of such sale, transfer, lease or other

disposition based on the final executed settlement statement prepared in connection with such sale, transfer or other disposition, with such repayment amount not to exceed 110% of the total City Funds paid to the Developer.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

Notwithstanding any other provision of this Agreement to the contrary:

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

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Projects or any portion thereof as referenced in Exhibit G hereto, as shall be amended and supplemented in the future are referred to herein as the "**Existing Mortgages**." The Existing Mortgages are the only mortgage or deed of trust in place as of the date hereof with respect to the Project or any portion thereof. No amendments or supplements to the Existing Mortgages shall be deemed to be a New Mortgage as defined hereinafter.

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

- (a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Project or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest

hereunder in accordance with **Section 18.14** hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to Developer's interest in the Project or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with **Section 18.14** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

SECTION 17. NOTICE

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Presence Care Transformation Corporation c/o AMITA Health 3040 W. Salt Creek Lane Arlington Heights, Illinois 60005 Attention: Peg Wendell, EVP and Chief Legal Officer</p> <p>and</p> <p>Presence Care Transformation Corporation 200 South Wacker Drive Chicago, IL 60606</p>
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	Attention: Julie Roknich, Senior Associate General Counsel
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	With Copies To: Foley & Lardner LLP 321 N. Clark Street, Suite 2800 Chicago, IL 60654 Attention: Donna J. Pugh and Wayne F. Osoba

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this **Section 18.01** shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in **Sections 10.02 and 10.03** hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than ninety (90) days, including but not limited to extension of the time periods for completion of the Project or any portion of the Project more than ninety (90) days past the timeframes set forth in **Section 3.04** hereof.

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

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

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

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

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

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

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

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

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

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

18.14 Assignment. Except as otherwise permitted in Section 8.01(j) hereof, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Section 8.02** (Covenant to Redevelop), **Section 8.06** (Jobs Covenant), **Section 8.19** (Real Estate Provisions), **Section 8.20** (Annual Compliance Report), **Section 8.23** (FOIA and Local Records Act Compliance) and **Section 8.25** (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

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

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

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

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

PRESENCE CARE TRANSFORMATION CORPORATION,
an Illinois not-for-profit corporation

By:  _____
Dana Gilbert, President

CITY OF CHICAGO

By: _____
David L. Reifman, Commissioner
Department of Planning and Development

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**

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By: _____
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CITY OF CHICAGO

By: _____
David L. Reifman, Commissioner
Department of Planning and Development

**COOK COUNTY
RECORDER OF DEED**

**COOK COUNTY
RECORDER OF DEEDS**

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Melissa Kulik, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Dana Gilbert, personally known to me to be the President of Presence Care Transformation Corporation, an Illinois not-for-profit corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 27 day of June, 2018.

Melissa Kulik
Notary Public



(SEAL)

My Commission Expires 6/13/22

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 David L. Reifman, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 27th day of June, 2018.

Juan A Gutierrez
Notary Public

My Commission Expires 5-12-2019

(SEAL)

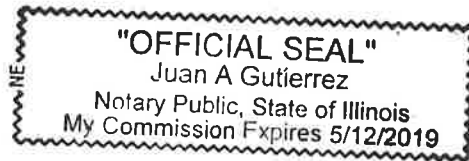
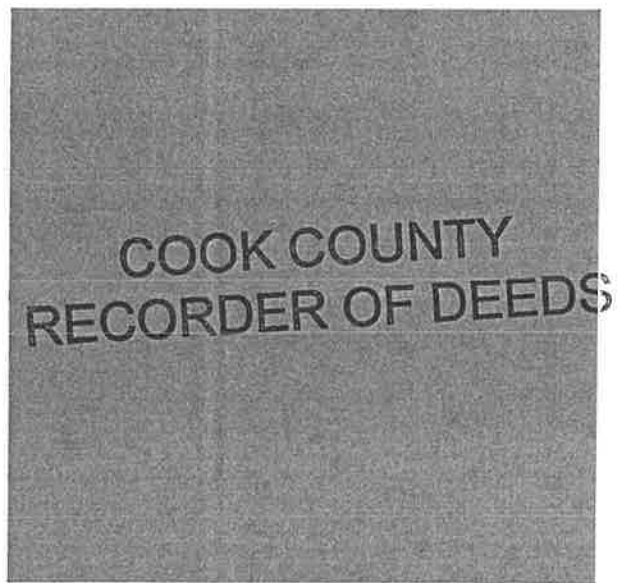


EXHIBIT A
REDEVELOPMENT AREA

[SEE ATTACHED]



COOK COUNTY
RECORDER OF DEEDS

SECTION 5. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit 1 referred to in this ordinance reads as follows:

Exhibit 1.

Corrected And Reformed Legal Description.

That part of the south half of Section 9, together with that part of the north half of Section 16, Township 39 North, Range 14 East of the Third Principal Meridian all taken as a tract of land bounded and described as follows:

beginning at the point of intersection of the east line of Canal Street with the south line of Lake Street in the east half of the southwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, and running; thence east along said south line of Lake Street to the northerly extension of the east line of the 18 foot wide alley east of Canal Street; thence south along said northerly extension of the east line of the 18 foot wide alley east of Canal Street and the east line thereof to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of Canal Street; thence south along said east line of Canal Street to the easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago in Section 9; thence west along said easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago to the west line of Canal Street; thence south along said west line of Canal Street to the south line of Madison Street; thence east along said south line of Madison Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Calhoun Place; thence east along said south line of Calhoun Place to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 of School Section Addition to Chicago in Section 16; thence south along said northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 and the west line hereof to the south line of said Lot 2; thence west along said south line of Lot 2 in Block 82 and the westerly extension thereof to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the north line of Monroe Street; thence west along said north line of Monroe Street to the west line of the south branch of the Chicago River; thence south along said west line of the south branch of the Chicago River to the north line of Lot 4 in Railroad Companies' Resubdivision of Blocks 62 to 76 inclusive, 78,

parts of 61 and 71, and certain vacated streets and alleys in School Section Addition to Chicago in Section 16; thence west along said north line of Lot 4 to the westerly line thereof; thence southeasterly along said westerly line of Lot 4 to the southwesterly corner thereof; thence southeasterly along a straight line to the northwesterly corner of Lot 5 in said Railroad Companies' Resubdivision in Section 16; thence southeasterly along the westerly line of said Lot 5 to an angle point on said westerly line; thence southeasterly along said westerly line of Lot 5 to a point on said westerly line, said point lying 121.21 feet northwesterly of the southwesterly corner of Lot 5; thence east along a straight line parallel with and 121.21 feet north of the south line of said Lot 5 to the westerly line of the south branch of the Chicago River; thence southeasterly along said westerly line of the south branch of the Chicago River to the north line of Jackson Boulevard; thence south along a straight line to the south line of Jackson Boulevard; thence west along said south line of Jackson Boulevard to the east line of Canal Street; thence south along said east line of Canal Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Jackson Boulevard; thence east along said south line of Jackson Boulevard to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the northerly extension of the east line of the 12 foot wide alley east of Wells Street; thence south along said northerly extension of the east line of the 12 foot wide alley east of Wells Street to the south line of Van Buren Street; thence east along said south line of Van Buren Street to the west line of LaSalle Street; thence north along the northerly extension of the west line of LaSalle Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Adams Street; thence east along said south line of Adams Street to the west line of Dearborn Street; thence north along said west line of Dearborn Street to the easterly extension of the north line of the 18 foot wide alley south of Monroe Street; thence east along said easterly extension of the north line of the 18 foot wide alley south of Monroe Street and the north line thereof to a point on a line 130 feet west of and parallel with the west line of South State Street the east line of the west half of Lot 3 in Block 141 in School Section Addition to Chicago in Section 16; thence north along said parallel east line of the west half of Lot 3 to the south line of Monroe Street; thence west along said south line of Monroe Street to the southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street; thence north along said southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street and the west line thereof to the south line of the 15 foot wide alley north of Monroe Street; thence west along said south line of the 15 foot wide alley north of Monroe Street and the westerly extension thereof to the west line of Dearborn Street; thence south along said west line of Dearborn Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the east line of Lot 21 in Assessor's Division of Block 118 of School

Section Addition in Section 16; thence north along the said east line of said Lot 21 and the northerly extension thereof to the south line of Lot 33 in said Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 33 to the west line thereof; thence north along said west line of Lot 33 to the south line of Lot 14 in Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 14 to the east line of the 10 foot wide alley west of Clark Street; thence north along said east line of the 10 foot wide alley west of Clark Street and the northerly extension thereof to the north line of Madison Street; thence west along said north line of Madison Street to the east line of the 9 foot wide alley west of Clark Street; thence north along said east line of the 9 foot wide alley west of Clark Street to the south line of the 18 foot wide alley south of Washington Street; thence north along a straight line to the southeast corner of the parcel of land bearing Permanent Index Number 17-9-459-001; thence north along the east line of the parcel of land bearing Permanent Index Number 17-9-459-001 to the south line of Washington Street; thence east along said south line of Washington Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Randolph Street; thence west along said south line of Randolph Street to the west line of Clark Street; thence north along said west line of Clark Street to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of LaSalle Street; thence south along said east line of LaSalle Street to the easterly extension of the south line of Court Place; thence west along said easterly extension of the south line of Court Place and the south line thereof to the west line of Wells Street; thence south along said west line of Wells Street to the north line of Washington Street; thence west along said north line of Washington Street to the east line of Franklin Street; thence north along said east line of Franklin Street to the centerline of vacated court place; thence east along said centerline of vacated Court Place to the southerly extension of the east line of Lot 2 in Block 41 in the Original Town of Chicago in the southeast quarter of Section 9; thence north along said southerly extension of the east line of Lot 2 in Block 41 and the east line thereof to the south line of Randolph Street; thence west along said south line of Randolph Street to the southerly extension of the west line of the easterly 20 feet of Lot 7 in Block 31 in the Original Town of Chicago in Section 9; thence north along said southerly extension of the west line of the easterly 20 feet of Lot 7 and the west line thereof to the south line of Couch Place; thence north along the northerly extension of the west line of the easterly 20 feet of Lot 7 to the north line of Couch Place; thence west along said north line of Couch Place to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Lake Street; thence northeasterly along a straight line to the intersection of the north line of Lake Street with the easterly line of Wacker Drive; thence west along said north line of lake street to the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to an angle point on said westerly line, said point being also the northeast corner of Lot 1 in Block 22 in the Original Town of Chicago in Section 9; thence west along the

north line of said Lot 1 in Block 22 to a point, said point being also a point on the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to the north line of that tract of land vacated in Document Number 5507199, recorded October 6, 1914; thence west along said north line of that tract of land vacated in Document Number 5507199, a distance of 21.26 feet to a point on said north line; thence northwesterly along the easterly line of the parcel of land bearing Permanent Index Number 17-9-306-014 to a point of curvature on said easterly line; thence northwesterly along the arc of curve, said curve being concave to the northeast and having a radius of 600 feet, to the east line of Canal Street; thence south along said east line of Canal Street to the south line of Lake Street, being also the point of beginning the heretofore described tract of land, all in Cook County, Illinois.

**COOK COUNTY
RECORDER OF DEEDS**

EXHIBIT B

PROPERTY

THAT PART OF LOTS 13 AND 14 IN BLOCK 83 IN RESUBDIVISION OF BLOCKS 83, 92 AND 140 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH EAST CORNER OF SAID LOT 13, THENCE SOUTH 90 DEGREES WEST ALONG THE NORTH LINE OF SAID LOT 13 (ALSO BEING THE SOUTH LINE OF WEST ADAMS STREET), 54.00 FEET TO THE WEST LINE OF SOUTH WACKER DRIVE, AS DEDICATED, AND THE PLACE OF BEGINNING OF THE HEREIN DESCRIBED TRACT OF LAND; THENCE SOUTH 0 DEGREES 13 MINUTES 30 SECONDS EAST ALONG THE WEST LINE OF SOUTH WACKER DRIVE, 166.04 FEET TO THE SOUTH LINE OF SAID LOT 14 (ALSO BEING THE NORTH LINE OF WEST QUINCY STREET); THENCE NORTH 89 DEGREES 57 MINUTES 40 SECOND WEST ALONG THE SOUTH LINE OF SAID LOT 14, 148.00 FEET TO A POINT, THENCE NORTH 9 DEGREES 47 MINUTES 46 SECONDS WEST, 84.20 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 14; THENCE NORTH 10 DEGREES 27 MINUTES 59 SECONDS WEST, 84.36 FEET TO THE NORTH LINE OF SAID LOT 13; THENCE NORTH 90 DEGREES EAST ALONG THE NORTH LINE OF SAID LOT 13, 177.00 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Property Index Number: 17-16-214-002-0000

Address: 200 South Wacker Drive, Chicago, Illinois 60604

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Costs of rehabilitation, reconstruction, or repair or remodeling
of the Headquarters: \$5,788,890*

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed \$5,553,009. Only costs incurred for the Headquarters shall be considered TIF-eligible costs.

NOTE: All references to categories of TIF-Funded Improvements described in this Exhibit are subject to the limitations and requirements of the TIF Act.

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**

EXHIBIT D

JOBS AND OCCUPANCY CERTIFICATE

[NOT ATTACHED FOR PURPOSES OF RECORDING]

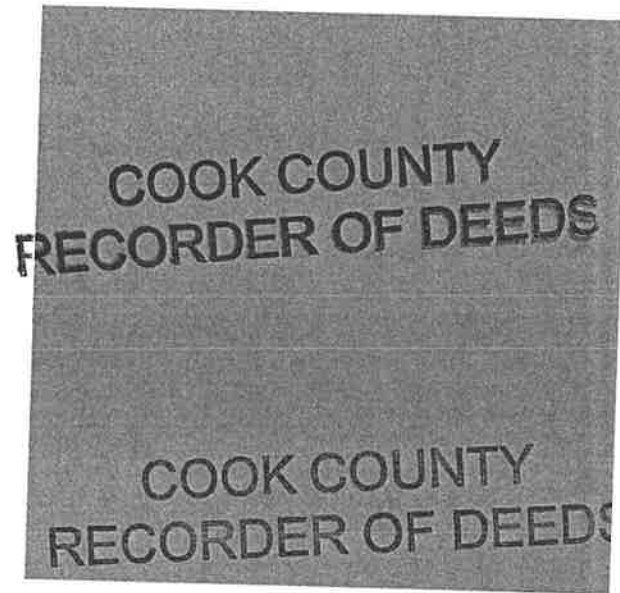


EXHIBIT E

CONSTRUCTION CONTRACT

[NOT ATTACHED FOR PURPOSES OF RECORDING]

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT F

[Reserved]

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT G

PERMITTED LIENS

All capitalized terms used but not defined herein shall be as defined in the Master Trust Indenture.

1. Liens or encumbrances against the Developer's leasehold in the Property:

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Developer's leasehold in the Property, if any:

- (a) Liens created by the Master Trust Indenture (including, without limitation, the lien on Pledged Revenues as described therein);
- (b) Liens arising by reason of good faith deposits with any Obligated Group Member or Designated Affiliate in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Obligated Group Member or Designated Affiliate 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;
- (c) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Obligated Group Member or Designated Affiliate to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements, and any Lien in the nature of a banker's lien or right of setoff with respect to deposits which any Obligated Group Member or Designated Affiliate is not required to maintain with the bank in question;
- (d) Any Lien arising by reason of any escrow established to pay debt service with respect to Indebtedness;
- (e) Any Lien in favor of a trustee on the proceeds of Indebtedness prior to the application of such proceeds;
- (f) Liens on moneys deposited by patients or others with any Obligated Group Member or Designated Affiliate as security for or as prepayment for the cost of patient care, and any rights of residents of life care, elderly housing or similar facilities to entrance fees, endowment or similar funds deposited by or on behalf of such residents;

Liens on Property received by any Obligated Group Member or Designated Affiliate through gifts, grants or bequests; provided, that no such Lien (or the amount of Indebtedness secured thereby) may be increased or modified so as to apply to any Property of any Obligated Group Member or Designated Affiliate not previously subject to such Lien unless such Lien following such increase or modification otherwise qualifies as a Permitted Lien under the Master Trust Indenture;

- (g) Statutory rights of the United States of America by reason of federal funds made available under 42 U.S.C. Section 291 et. seq. and similar rights under other federal and state statutes;
- (h) Liens on funds established pursuant to the terms of any Related Supplement, Related Bond Indenture or related document in favor of the Master Trustee, a Related Bond Trustee or the registered owner of the Indebtedness issued pursuant to such Related Supplement, Related Bond Indenture or related document;
- (i) Liens required by any federal, state or local government as a condition to its making a grant or loan (except loans made solely from the proceeds derived from the sale of Related Bonds) to, or its guaranteeing or insuring part or all of Indebtedness of, an Obligated Group Member or a Designated Affiliate, but only if such Lien is limited to Property the acquisition of which has not been financed, directly or indirectly, with proceeds of Master Indenture Obligations or Related Bonds;
- (j) Liens in favor of the Master Trustee securing all Outstanding Master Indenture Obligations equally and ratably;
- (k) Liens junior to Liens in favor of the Master Trustee in accordance with sub-section (p) hereof;
- (l) Liens which are existing on the date of execution hereof or existing on the date any Person becomes an Obligated Group Member or a Designated Affiliate, provided that no such Lien (or the amount of Indebtedness secured thereby) may be increased or modified to apply to any Property of any Obligated Group Member or Designated Affiliate not subject to such Lien on such date, unless such Lien following such increase or modification otherwise qualifies as a Permitted Lien under the Master Trust Indenture;
- (m) Liens on Property of a Person at the time such Person engages in a merger, consolidation, sale or conveyance pursuant to Section 3.07 of the Master Trust Indenture; provided that no such Lien (or the amount of Indebtedness secured thereby) may be increased or modified to apply to any Property of any Obligated Group Member or Designated Affiliate not subject to such Lien on such date, unless such Lien following such increase or modification otherwise qualifies as a Permitted Lien under the Master Trust Indenture;
- (n) Liens granted by an Obligated Group Member or Designated Affiliate to another Obligated Group Member or Designated Affiliate;
- (o) Liens securing 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 an Obligated Group Member or Designated Affiliate other than any theretofore unimproved real property on which the property so constructed or improved is located; and

- (p) Any other Lien, provided that the aggregate Value of Property subject to Liens created or permitted to exist pursuant to this section of the Master Trust Indenture shall not exceed ten percent (10%) the total net assets of the Credit Group (as shown on the financial statements of the Credit Group for most recent fiscal year for which financial statements are available immediately preceding the date that such Lien is created).

As used in this Exhibit G, references to Developer includes any affiliate of Developer that owns or operates any of the Projects.

**COOK COUNTY
RECORDER OF DEEDS**

EXHIBIT H-1
PROJECT BUDGET

<u>SOURCES</u>	<u>AMOUNT</u>
Equity	\$28,726,864
<u>USES</u>	
Headquarters Project	
<u>Hard Costs</u>	
Interior Demolition	\$98,748
Interior Stair Construction	\$175,000
Interior Partitions, Finishes, Specialties	\$2,221,417
Roof Deck Construction	\$585,000
Mechanical (plumbing, VAC, fire, special systems)	\$854,656
Electrical	\$1,039,452
General Conditions & profit	\$658,391
Design Contingency	\$931,294
Construction Contingency	\$328,198
Total Hard Costs:	\$6,892,156
<u>Soft Costs</u>	
Architect and Engineer	\$378,660
LEED Certification	\$435,957
A/V Certification	\$43,596
Material Testing	\$12,456
Permits	\$62,280
Legal (lease)	\$31,140
Insurance	\$24,912
Other Professional Fees (TIF legal and consulting)	\$585,750
Total Soft Costs:	\$1,574,751
Furniture, Fixtures & Equipment	
Job Training	\$184,000
Relocation	\$325,000
Owner Contingency	\$601,636
Total Headquarters Cost:	\$13,361,043
PSMEMC Cancer Center & Specialty Care	
<u>Cost Breakdown</u>	
Construction	\$6,698,636
Permit	\$14,081
Architect and Engineer	\$612,500
Furniture, Fixtures & Equipment	\$4,569,673

Total Cancer Center Cost:	<u>\$11,894,890</u>
Avondale Medical Home	
<u>Cost Breakdown</u>	
Construction	\$819,542
Permit	\$2,440
Architect and Engineer	\$71,302
Furniture, Fixtures & Equipment	\$81,410
Total Avondale Medical Home Cost:	<u>\$974,694</u>
Belmont-Cragin Medical Home	
<u>Cost Breakdown</u>	
Construction	\$1,040,429
Permit	\$2,478
Architect and Engineer	\$69,143
Furniture, Fixtures & Equipment	\$284,187
Total Belmont-Cragin Medical Home Cost:	<u>\$1,396,237</u>
Calumet Heights Medical Home	1,100,000
Total Anticipated Medical Home Cost:	<u>\$1,100,000</u>

**COOK COUNTY
RECORDER OF DEEDS**

EXHIBIT H-2

MBE/WBE BUDGET

Total MBE Total at 26%
Total WBE Total at 6%

\$1,890,412
\$ 436,249

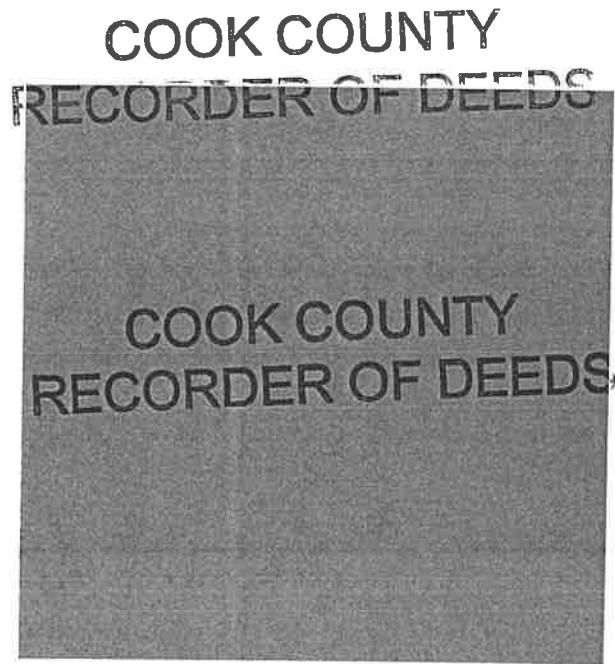


EXHIBIT I

[INTENTIONALLY OMITTED]

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[NOT ATTACHED FOR PURPOSES OF RECORDING]

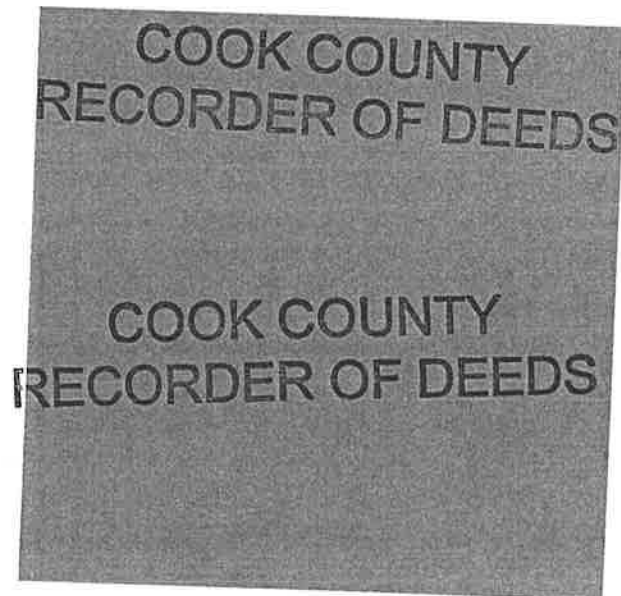


EXHIBIT K

[INTENTIONALLY OMITTED]

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT L
REQUISITION FORM

[NOT ATTACHED FOR PURPOSES OF RECORDING]

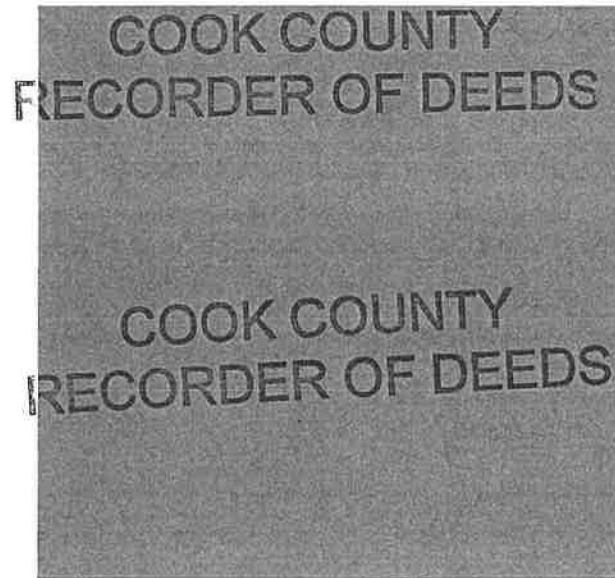


EXHIBIT M

FORM OF SUBORDINATION AGREEMENT

[NOT ATTACHED FOR PURPOSES OF RECORDING]

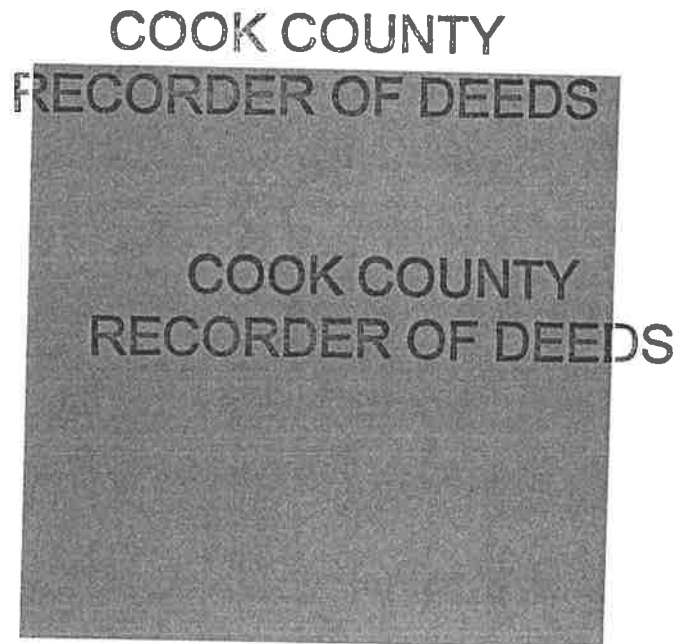
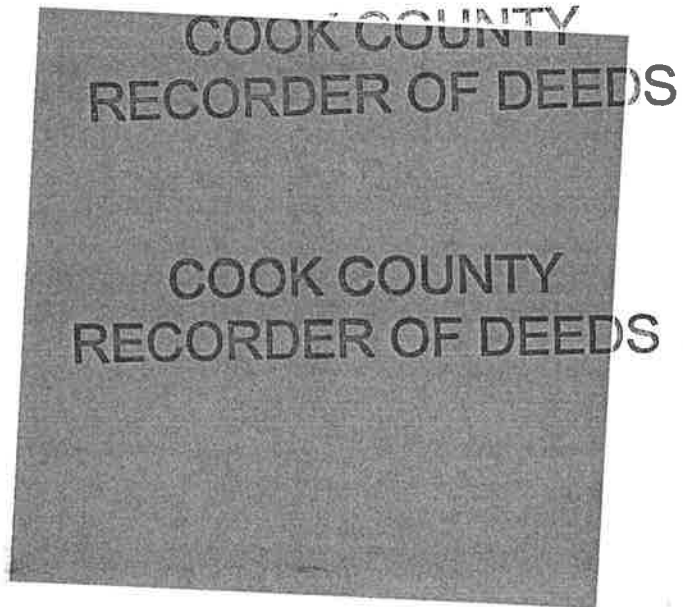


EXHIBIT N

FORM OF PAYMENT BOND

[NOT ATTACHED FOR PURPOSES OF RECORDING]



CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2018

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental fund balance sheet	6
Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements present only the activities of the LaSalle Central Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

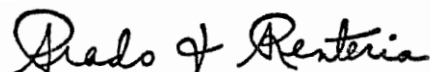
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 28, 2019

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the LaSalle Central Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2018. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$75,362,280 for the year. This was an increase of 45 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$41,142,473. The Project's net position increased by 47 percent from the prior year making available \$81,796,887 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 131,816,542	\$ 91,476,510	\$ 40,340,032	44%
Total liabilities	<u>3,576,655</u>	<u>4,379,096</u>	<u>(802,441)</u>	-18%
Total net position	<u>\$ 128,239,887</u>	<u>\$ 87,097,414</u>	<u>\$ 41,142,473</u>	47%
Total revenues	\$ 75,322,496	\$ 53,025,899	\$ 22,296,597	42%
Total expenses	<u>11,880,023</u>	<u>26,047,388</u>	<u>(14,167,365)</u>	-54%
Other financing uses	<u>22,300,000</u>	<u>15,000,000</u>	<u>7,300,000</u>	49%
Changes in net position	<u>41,142,473</u>	<u>11,978,511</u>	<u>29,163,962</u>	243%
Ending net position	<u>\$ 128,239,887</u>	<u>\$ 87,097,414</u>	<u>\$ 41,142,473</u>	47%

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2018

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 76,232,696	\$ -	\$ 76,232,696
Property taxes receivable	55,372,021	-	55,372,021
Accrued interest receivable	211,825	-	211,825
Total assets	<u>\$ 131,816,542</u>	<u>\$ -</u>	<u>\$ 131,816,542</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 2,688,425	\$ -	\$ 2,688,425
Due to other City funds	861,847	-	861,847
Other accrued liability	26,383	-	26,383
Total liabilities	<u>3,576,655</u>	<u>-</u>	<u>3,576,655</u>
Deferred inflows	<u>43,469,020</u>	<u>(43,469,020)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for surplus distribution (Note 2)	46,443,000	(46,443,000)	-
Restricted for future redevelopment project costs	<u>38,327,867</u>	<u>(38,327,867)</u>	<u>-</u>
Total fund balance	<u>84,770,867</u>	<u>(84,770,867)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 131,816,542</u>		
Net position:			
Restricted for surplus distribution (Note 2)		46,443,000	46,443,000
Restricted for future redevelopment project costs		<u>81,796,887</u>	<u>81,796,887</u>
Total net position		<u>\$ 128,239,887</u>	<u>\$ 128,239,887</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental fund			\$ 84,770,867
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.			<u>43,469,020</u>
Total net position - governmental activities			<u>\$ 128,239,887</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Governmental</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
Revenues:			
Property tax	\$ 69,007,881	\$ 6,354,399	\$ 75,362,280
Interest income (loss)	(161,020)	-	(161,020)
Miscellaneous revenue	121,236	-	121,236
	<hr/>	<hr/>	<hr/>
Total revenues	68,968,097	6,354,399	75,322,496
Expenditures/expenses:			
Economic development projects	11,880,023	-	11,880,023
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	57,088,074	6,354,399	63,442,473
Other financing uses:			
Surplus distribution (Note 2)	(15,000,000)	-	(15,000,000)
Operating transfers out (Note 3)	(7,300,000)	-	(7,300,000)
	<hr/>	<hr/>	<hr/>
Total other financing uses	(22,300,000)	-	(22,300,000)
Excess of revenues over expenditures and other financing uses	34,788,074	(34,788,074)	-
Change in net position	-	41,142,473	41,142,473
Fund balance/net position:			
Beginning of year	49,982,793	37,114,621	87,097,414
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 84,770,867</u>	<u>\$ 43,469,020</u>	<u>\$ 128,239,887</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 34,788,074
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 6,354,399
Change in net position - governmental activities	<hr/> <u>\$ 41,142,473</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In November 2006, the City of Chicago (City) established the LaSalle Central Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

The financial statements present only the activities of the LaSalle Central Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques.

GASB Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement, (see Note 4).

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation (Concluded)*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

Cash and Investments

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of the newly adopted GASB 72 will not be separately presented in a note disclosure.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost. In 2018, due to fair value adjustments, investment income is showing a loss.

Deferred Inflows

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 4 for reimbursements paid to the developer.

Note 2 – Surplus Distribution

In December 2017, the City declared a surplus within the fund balance of the Project in the amount of \$15,000,000. In February 2018, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

In December 2018, the City declared a surplus within the fund balance of the Project in the amount of \$46,443,000. In February 2019, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 3 – Operating Transfers Out

During 2018, in accordance with State statutes, the Project transferred \$7,300,000 to the contiguous Canal/Congress Redevelopment Project to fund a component (Viaduct - Canal, Van Buren to Harrison) of the Wells/Wentworth Construction project.

Note 4 – Tax Abatement Payments

Under the terms of the redevelopment agreements, the Project paid the developers \$3,045,379 during the year ended December 31, 2018.

Note 5 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2018, the Project has entered into contracts for approximately \$1,212,338 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
LASALLE CENTRAL REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 854,584
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	3,045,379
Costs of the construction of public works or improvements	<u>7,980,060</u>
	<u><u>\$ 11,880,023</u></u>



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of LaSalle Central Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2018, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 28, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Prado & Renteria

June 28, 2019

INTERGOVERNMENTAL AGREEMENTS

FY 2018

FY 2018

TIF NAME: LaSalle Central Redevelopment Project Area

A list of all intergovernmental agreements in effect in FY 2018 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements.
[65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
IGA - CTA - Quincy Station	Improvements to transit system	\$1,909,122	