LONG-TERM CARE
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

DESCRIPTION OF PROJECT

Project Type

[Check one]	[check one]
☒ General Long-term Care ☐ Specialized Long-term Care	☒ Establishment of a new LTC facility ☐ Establishment of new LTC services ☐ Expansion of an existing LTC facility or service ☐ Modernization of an existing facility

Narrative Description

Provide in the space below, a brief narrative description of the project. Explain WHAT is to be done, NOT WHY it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.
Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.

Restorative Care Institute LLC and 50 Huron Properties LLC (the "Applicants") seeks authority from the Illinois Health Facilities and Services Review Board (the "State Board") to establish a 98 bed skilled nursing home. The proposed project will consist of 40,541 gross square feet of clinical space and 42,559 gross square feet of non-clinical space for a total of 83,100 gross square feet. The proposed skilled nursing facility will be located at 50 East Huron Street, Chicago, Illinois 60611 (the "Proposed SNF"). The project will involve the removal of the exterior of the building, retaining the building shell and load bearing walls, and the addition of six floors.

The Proposed SNF will provide administrative services and a resident common area on the first floor of the building. The lower level will consist of a parking garage, storage, maintenance, and plant operation and utility rooms. The second floor is devoted to nursing, physical therapy and occupational therapy. Floors three through eight will include resident rooms.

This project is classified as a substantive project as it proposed the establishment of a new long term care facility.

Facility/Project Identification

Facility Name: Restorative Care Institute		
Street Address: 50 East Huron Street		
City and Zip Code: Chicago, Illinois 60611		
County: Cook	Health Service Area: 6	Health Planning Area: 6-B

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Restorative Care Institute LLC
Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Name of Registered Agent: Zishan Zahid
Name of Chief Executive Officer: Michael J. Hamblet, Jr.
CEO Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Telephone Number: 312-446-6262

Type of Ownership (Applicant/Co-Applicants)

- ☐ Non-profit Corporation
- ☐ For-profit Corporation
- ☒ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries)

Name: Charles P. Sheets
Title: Attorney
Company Name: Polsinell P.C.
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

Facility/Project Identification

Facility Name: Restorative Care Institute		
Street Address: 50 East Huron Street		
City and Zip Code: Chicago, Illinois 60611		
County: Cook	Health Service Area: 6	Health Planning Area: 6-B

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: 50 Huron Properties LLC
Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Name of Registered Agent: Zishan Zahid
Name of Chief Executive Officer: Michael J. Hamblet, Jr.
CEO Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Telephone Number: 312-446-6262

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- ☐ Other

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- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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Primary Contact

[Person to receive ALL correspondence or inquiries)

Name: Charles P. Sheets
Title: Attorney
Company Name: Polsinell P.C.
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. **This person must be an employee of the applicant.**]

Name: Michael J. Hamblet, Jr.
Title: Manager
Company Name: Restorative Care Institute, LLC
Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Telephone Number: 773-472-1020
E-mail Address: mhamblet@edenservice.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: 50 Huron Properties LLC
Address of Site Owner: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523
Street Address or Legal Description of Site: 50 East Huron Street, Chicago, Illinois 60611 LOT 13 IN HURON PLAZA, A RESUBDIVISION IN BLOCK 47 IN KINZIE'S ADDITION TO CHICAGO IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 13, 1981 AS DOCUMENT 25869229 AND FILED AS DOCUMENT LR 3214963, IN COOK COUNTY, ILLINOIS.
Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Restorative Care Institute LLC
Address: 1100 Jorie Boulevard, Suite 115, Oak Brook, Illinois 60523

- ☐ Non-profit Corporation
- ☐ For-profit Corporation
- ☒ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (http://www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals – Not Applicable

The following submittals are up- to- date, as applicable:

☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

☐ All reports regarding outstanding permits

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Restorative Care Institute, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Michael J. Hamblet, Jr. PRINTED NAME	PRINTED NAME
Manager PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _______________	Notarization: Subscribed and sworn to before me this _____ day of _______________
Signature of Notary	Signature of Notary
Seal	Seal

*Insert EXACT legal name of the applicant

73581621.1

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of 50 Huron Properties, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Michael J. Hamblet, Jr.	
PRINTED NAME	PRINTED NAME
Manager	
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of ______________	Notarization: Subscribed and sworn to before me this _____ day of ______________
Signature of Notary	Signature of Notary
Seal	Seal

*Insert EXACT legal name of the applicant

73581621.1

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report. APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. Each item (1-6) must be identified in Attachment 10.

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify **ALL** of the alternatives to the proposed project:

   Alternative options **must** include:

   a. Proposing a project of greater or lesser scope and cost;

   b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

   c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

   d. Provide the reasons why the chosen alternative was selected.

2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3. **The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.**

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved , read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction

Bed Capacity

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
☒ General Long-Term Care	0	98
☐ Specialized Long-Term Care		
☐		

***Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hrfsb.illinois.gov). PLEASE NOTE:** ANY bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete.**

Utilization

Utilization for the most current CALENDAR YEAR:

Category of Service	Year	Admissions	Patient Days
☒ General Long Term Care	N/A	N/A	N/A
☐ Specialized Long-Term Care			

Applicable Review Criteria - Guide
The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (http://hfsrb.illinois.gov). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and **submit the required documentation for the criteria, as described in SECTIONS IV and V:**

GENERAL LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	**Subject**
Establishment of Services or Facility	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand – Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA

GENERAL LONG-TERM CARE

Criterion 1125.520 – Background of the Applicant

BACKGROUND OF APPLICANT

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (http://hfsrb.illinois.gov) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

- **If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.**
- **If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.**

1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.

2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used.

3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:

   - The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload.
   - The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion
   - Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address

4. Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.

5. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows:

   a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract;

   b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area,by the U.S. Bureau of the Census or IDPH;

   c. Projections shall be for a maximum period of 10 years from the date the application is submitted;

   d. Historical data used to calculate projections shall be for a number of years no less than the number of years projected;

   e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;

f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and

g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT- 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 **and** either #2 or #3:

1. Historical Service Demand

   a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.

   b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.

2. Projected Referrals
   The applicant shall provide documentation as described in Section 1125.540(d).

3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT- 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.560 - Variances to Computed Bed Need

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.

2. The proposal shall be for the purposes of and serve only the residents of the housing complex and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built

first, but will be built concurrently with or after the residential units.

3. The applicant shall demonstrate that:

   a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;

   b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and

   c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

Defined Population:

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.

2. The applicant shall document each of the following:

   a. A description of the proposed religious, fraternal or ethnic group proposed to be served;

   b. The boundaries of the GSA;

   c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;

   d. That the proposed services do not exist in the GSA where the facility is or will be located;

   e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.

   f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.

   g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

APPEND DOCUMENTATION AS ATTACHMENT- 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility

1. Service Restrictions

   The applicant shall document that **at least one** of the following factors exists in the planning area, as applicable:

   - The absence of the proposed service within the planning area;
   - Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;
   - Restrictive admission policies of existing providers; or
   - The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

2. Additional documentation required:

   The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

   a. The location and utilization of other planning area service providers;

   b. Patient/resident location information by zip code;

   c. Independent time-travel studies;

   d. Certification of a waiting list;

   e. Admission restrictions that exist in area providers;

   f. An assessment of area population characteristics that document that access problems exist;

   g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT- 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution

1. The applicant shall provide the following information:

   a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;

   b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and

   c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.

2. The applicant shall document that the project will not result in maldistribution of services.

3. The applicant shall document that, within 24 months after project completion, the proposed project:

   a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and

   b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT- 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

2. Provide the following documentation:

   a. The name and qualification of the person currently filling the position, if applicable; and

   b. Letters of interest from potential employees; and

   c. Applications filed for each position; and

   d. Signed contracts with the required staff; or

   e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT- 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

APPEND DOCUMENTATION AS ATTACHMENT- 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

APPEND DOCUMENTATION AS ATTACHMENT- 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT- 22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document **one** of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT- 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.

2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

APPEND DOCUMENTATION AS ATTACHMENT- 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:

   a. High cost of maintenance;

   b. non-compliance with licensing or life safety codes;

   c. Changes in standards of care (e.g., private versus multiple bed rooms); or

   d. Additional space for diagnostic or therapeutic purposes.

2. Documentation shall include the most recent:

   a. IDPH and CMMS inspection reports; and

   b. Accrediting agency reports.

3. Other documentation shall include the following, as applicable to the factors cited in the application:

   a. Copies of maintenance reports;

   b. Copies of citations for life safety code violations; and

   c. Other pertinent reports and data.

4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT- 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW

Criterion 1125.800 Estimated Total Project Cost

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Availability of Funds – Review Criteria**
- **Financial Viability – Review Criteria**
- **Economic Feasibility – Review Criteria, subsection (a)**

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

$8,651,191	a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
______	b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
______	c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
$25,953,575	d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

______	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
______	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
______	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$34,604,766		TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	Year 1	Year 2	Year 3	
Current Ratio	1.7	6.1	10.5	
Net Margin Percentage	7.1%	40.1%	40.5%	
Percent Debt to Total Capitalization	79%	65%	54%	
Projected Debt Service Coverage	1.97	6.57	6.72	
Days Cash on Hand	12	8	8	
Cushion Ratio	0.8	1.9	2.0	

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or

   B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;

2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE

Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

APPENDIX A

Project Costs and Sources of Funds

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation	$319,082	$506,238	$825,320
Site Preparation	$314,918	$499,629	$814,547
Off Site Work			
New Construction Contracts	$10,800,491	$8,127,036	$18,927,527
Modernization Contracts			
Contingencies	$1,080,049	$812,704	$1,892,753
Architectural/Engineering Fees	$775,889	$814,511	$1,590,400
Consulting and Other Fees	$579,187	$608,017	$1,187,204
Movable or Other Equipment (not in construction contracts)	$800,383	0	$800,383
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)	$348,143	$365,473	$713,616
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	$1,489,438	$1,563,578	$3,053,016
Acquisition of Building or Other Property (excluding land)	$2,341,718	$2,458,282	$4,800,000
TOTAL USES OF FUNDS	**$18,849,298**	**$15,755,468**	**$34,604,766**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$4,712,324	$3,938,867	$8,651,191
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	$14,136,974	$11,816,601	$25,953,575
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$18,849,298**	**$15,755,468**	**$34,604,766**

APPENDIX B

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☒ Yes ☐ No
Purchase Price: $4,800,000
Fair Market Value: $4,800,000

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ 1,575,156 .

APPENDIX C

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): September 30, 2022

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

☒ Project obligation will occur after permit issuance.

APPENDIX D

Cost/Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Nursing	$15,407,782	17,895	15,244	15,244	17,895		
Living/Dining	$951,741	1,105	942	942	1,105		
Kitchen/Food Service	$511,438	594	506	506	594		
Rehabilitation	$1,150,272	1,336	1,138	1,138	1,336		
Clean/Soiled Utility	$828,065	962	819	819	962		
Total Clinical	**$18,849,298**	**21,892**	**18,649**	**18,649**	**21,892**		
NON CLINICAL							
Administrative	$607,133	886	754	754	886		
Employee Lounge/ Lockers	$639,340	933	794	794	933		
Mechanical/ Electrical	$604,912	882	752	752	882		
Lobby	$838,510	1,223	1,042	1,042	1,223		
Storage/ Maintenance	$74,040	108	92	92	108		
Corridors/Public Toilets	$5,274,652	7,694	6,554	6,554	7,694		
Stairs/Elevator	$2,308,586	3,367	2,869	2,869	3,367		
Beauty/Barber Shop	0						
Housekeeping	$159,187	232	198	198	232		
Parking	$3,888,982	5,673	4,832	4,832	5,673		
Building Structural Elements	$1,360,126	1,984	1,690	1,690	1,984		
Total Non-clinical	**$15,755,468**	**22,982**	**19,577**	**19,577**	**22,982**		
TOTAL	**$34,604,766**	**44,874**	**38,226**	**38,226**	**44,874**		

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for Restorative Care Institute, LLC and 50 Huron Properties, LLC (collectively, the "Applicants") are attached at Attachment – 1.

Restorative Care Institute, LLC will be the operator of the nursing home located at 50 East Huron Street, Chicago, IL 60611 (the "Nursing Home").

As a related person who controls the use of capital assets that are components of the project, 50 Huron Properties, LLC is named as a co-applicant in this certificate of need application.

File Number 0869130-4

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

RESTORATIVE CARE INSTITUTE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 14, 2020, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 4TH *day of* JUNE *A.D.* 2020 .

Authentication #: 2015603088 verifiable until 06/04/2021
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

File Number 0869131-2

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

50 HURON PROPERTIES LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 14, 2020, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 4TH *day of* JUNE *A.D.* 2020 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 2015603076 verifiable until 06/04/2021
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the Purchase and Sale Agreement for the purchase of the property located at 50 East Huron Street, Chicago, Illinois 60611 is attached at Attachment – 2A.

The assignment of the Purchase and Sale Agreement from Eden Services Inc. to 50 Huron Properties, LLC is attached at Attachment – 2B.

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("**Agreement**") is entered into on May 6, 2020 (the "**Effective Date**") by and between Seller (defined below) and Buyer (defined below). This Agreement consists of the Basic Terms, the Additional Terms and Provisions, and all schedules and exhibits attached hereto.

BASIC TERMS:

In this Agreement, the following terms shall have the following meanings:

"Seller":	Huron Property Owner, LLC % R2 Companies 1200 N. North Branch St., #200 Chicago, IL 60642 Attention: Matthew M. Duhig Email: mduhig@r2.me	with a copy to:	Jindal & Siomos, LLC 800 W. Central Rd., #162 Mt. Prospect, IL 60056 Attention: Vasilios P. Siomos Email: vs@js-firm.com
"Buyer":	Eden Services Inc. 1100 Jorie Blvd, Suite 115 Oak Brook IL 60523 Attention: Michael Hamblet Email: mhamblet@edenservice.org	with a copy to:	Langhenry, Gillen Lundquist & Johnson LLC 33 N. Dearborn St, Suite 1600 Chicago, IL 60602 Attention: Mohammed A. Nofal Email: mnofal@lglfirm.com

"Purchase Price": Four Million Eight Hundred Thousand and No/100 Dollars ($4,800,000)

"Earnest Money": Three Hundred Thousand and No/100 Dollars ($300,000), together with any interest earned thereon

"Due Diligence Period": The period from the Effective Date through and including the thirtieth (30th) day after the Effective Date, subject to §3.4

"Closing Date": The later of (a) the twenty-first (21st) day after the end of the Due Diligence Period, and (b) the tenth (10th) business day after the completion of the Separation Work (defined in §10.1.5)

Brokers: **"Seller's Broker"**: None; **"Buyer's Broker"**: Kale Realty

"Escrowee" & "Title Insurer": Chicago Title Insurance Company
10 S. LaSalle St., Suite 3100
Chicago, IL 60603

Schedules: 1: Legal Description; 2: Property Deliveries; 3: Exceptions to Representations; 4: Separation Work

Exhibits: A: Declaration of Restrictive Covenants

ADDITIONAL TERMS AND PROVISIONS:

1. SALE AND PURCHASE. On and subject to the terms and conditions in this Agreement, Seller shall

sell the Property (defined below) to Buyer, and Buyer shall purchase the Property from Seller.

1.1. "**Property**" shall mean, collectively, all of Seller's rights, title, and interests in and to:

(a) the parcel(s) of land legally described in Schedule 1 (collectively, the "**Land**");

(b) all improvements, fixtures, and structures located on the Land (the "**Improvements**"), including (1) all buildings located thereon, (2) all heating, ventilating, incinerating, lighting, plumbing, electrical, and air-conditioning fixtures, systems and equipment that are located on the Land or in the Improvements, and (3) all appliances, heaters, furnaces, heating controls, motors, and boiler pressure systems and equipment that are located on the Land or in the Improvements;

(c) to the extent pertaining or relating to the Land or the Improvements (excluding, however, any and all such rights pertaining or relating to the Adjacent Property [defined in §10.1.2]), all easements, reciprocal easement agreements and operating agreements appurtenant to the Land or the Improvements;

(d) to the extent pertaining or relating to the Land or the Improvements (excluding, however, any and all such rights pertaining or relating to the Adjacent Property), all (1) permits, licenses, certificates of occupancy, tenements, hereditaments, privileges, appurtenances, and rights, (2) intellectual property, including all property names and property-specific internet domains and addresses but excluding all website content, all signage, and all intellectual property that is not property-specific or that contains the name or logo of Seller or any of its affiliates, (3) warranties and guaranties of any kind, and (4) other intangible personal property, including all mineral, oil, gas, air, and water rights (collectively, the "**Intangible Personal Property**"); and

(e) all tangible personal property that is located on the Land or the Improvements and used exclusively in connection with its ownership, operation, or maintenance, including all furniture, fixtures, equipment, supplies, artwork, and signage (collectively, the "**Tangible Personal Property**").

1.2. "**Real Property**" shall mean, collectively, the property described in §§1.1(a)-(c).

2. PURCHASE PRICE. The Purchase Price shall be paid as written below.

2.1. EARNEST MONEY.

2.1.1. Within two (2) business days after the Effective Date, Buyer shall deliver the Earnest Money to Escrowee.

2.1.2. Upon the expiration of the Due Diligence Period, the Earnest Money shall become non-refundable to Buyer except (a) if Seller breaches or defaults in its obligations under this Agreement, or (b) any other condition precedent to Buyer's obligations hereunder does not occur.

2.1.3. All Earnest Money (a) shall be in the form of immediately available U.S. funds; (b) may be deposited, at Buyer's election and expense, into a federally-insured interest-bearing account with Escrowee; and (c) shall be held for the mutual benefit of Seller and Buyer under Escrowee's standard joint order escrow instructions.

2.2. BALANCE. At the Closing (defined in §8.1), the Earnest Money shall be applied towards the

Purchase Price. The balance of the Purchase Price (plus and minus the credits, debits, and prorations provided herein) shall be paid to Seller in immediately available U.S. funds at the Closing.

3. DUE DILIGENCE.

3.1. PROPERTY DELIVERIES. Within two (2) business days after the Effective Date, Seller shall deliver or make electronically available to Buyer—to the extent in Seller's possession or control—copies of the documents listed in Schedule 2 (collectively, the "**Property Deliveries**"). All Property Deliveries shall be provided without any representation or warranty, whether express or implied.

3.2. DUE DILIGENCE.

3.2.1. Subject to the terms of this Agreement (including §3.2.2), during the Due Diligence Period, Buyer may perform, at its sole cost and expense, any and all diligence on the Property that Buyer desires or requires (collectively, the "**Due Diligence**"). Any Due Diligence at the Property shall be performed (a) during reasonable hours, (b) with reasonable prior notice to Seller and Seller having the right to be present, and (c) subject to the rights of the American Library Association, a Massachusetts not-for-profit corporation (the "**ALA**"), including pursuant to its lease dated as of November 26, 2019 (the "**ALA Lease**"). Seller shall reasonably facilitate and cooperate with the Due Diligence (provided, however, that in no event shall Seller be obligated to incur any out-of-pocket costs or expenses in connection therewith).

3.2.2. Subject to the terms of this Agreement (including §3.3.2), during the Due Diligence Period, Buyer and its agents, representatives, and vendors may enter upon the Real Property to conduct the Due Diligence. Without Seller's prior consent (which shall not be unreasonably withheld, conditioned, or delayed), Buyer shall not (a) conduct any invasive testing at the Real Property or (b) contact any governmental authorities except in connection with Buyer's customary due diligence (including zoning, building code violations, environmental, real estate taxes, and similar matters); provided, however, that in no event shall Buyer or its affiliates, attorneys, agents or representatives request any inspections of the Property, and each shall use commercially reasonable efforts to avoid triggering any such inspections. If Buyer meets with the City of Chicago or any alderman thereof regarding the Property, Seller shall have the right to attend any such meeting (and Buyer shall deliver notice of any such meeting to Seller at least three (3) business days prior thereto). Buyer shall promptly repair any physical damage to the Property caused by the Due Diligence, and shall keep the Real Property free and clear of any mechanics' and materialmen's liens arising from the Due Diligence. Buyer shall indemnify, defend, and hold Seller harmless from and against any claim, loss, damage, injury, liability, cost, or expense (including reasonable attorneys' fees) that is caused by or arises from the Due Diligence, excluding, however, any loss caused by the mere discovery of preexisting conditions. Buyer shall maintain—and shall cause all of its agents, representatives, and vendors performing Due Diligence at the Property to maintain—general liability insurance that has a minimum single limit of at least Two Million and No/100 Dollars ($2,000,000) for personal injury, death, or property damage, and that names Seller and its agents, lenders, and representatives as additional insureds. Before entering the Real Property to perform any Due Diligence, Buyer shall deliver to Seller certificates evidencing such insurance from Buyer and any other person or entity performing Due Diligence at the Real Property. Buyer's obligations under this subsection shall survive the Closing or a termination of this Agreement..

3.2.3. Until the Closing or the date that is eighteen (18) months after the termination of this Agreement (whichever occurs first), Buyer shall keep the Property Deliveries, all Due Diligence, and the terms of this Agreement confidential, except in each case to the extent that disclosing such information may be (a) required by law or other governmental requirement or (b) reasonably required in connection with entering into this Agreement, performing Due Diligence, evaluating the Property, or closing the transactions described herein. In connection with any disclosure pursuant to clause (b) of the immediately preceding sentence, Buyer shall inform each recipient of the confidential nature of such information. This §3.2.3 shall survive a termination of this Agreement.

3.3. TERMINATION. If Buyer, in its sole and absolute discretion, is dissatisfied with the Property based on the Due Diligence, the Property Deliveries, or any other reason or no reason whatsoever, then Buyer may terminate this Agreement by notifying Seller thereof (a "**Termination Notice**") any time before the Due Diligence Period expires, in which event (a) the Earnest Money shall be immediately returned to Buyer; (b) Buyer shall promptly return all Property Deliveries to Seller; and (c) neither party shall have any further rights, obligations, or liabilities hereunder except for any that expressly survive a termination of this Agreement (clauses (a)-(c) are the "**Termination Obligations**"). If Buyer does not timely deliver a Termination Notice, then Buyer shall be deemed to have waived its right in this subsection to terminate this Agreement.

3.4. EXTENSION OPTIONS. Subject to the terms and conditions herein, and so long as Buyer has not breached or otherwise defaulted under this Agreement, Buyer shall have six (6) options to extend the Due Diligence Period (each, an "**Extension Option**") by thirty (30) days each (each, an "**Extension Period**"). To exercise an Extension Option, Buyer must notify Seller thereof (each, an "**Extension Exercise Notice**") before the end of the Due Diligence Period (as same may be extended). Any delivery of an Extension Exercise Notice shall be unconditional and irrevocable by Buyer. If Buyer does not timely deliver an Extension Exercise Notice, then the Extension Option (and all remaining Extension Options, if any) shall become void. If exercised, each Extension Period shall begin on the day after the Due Diligence Period would otherwise expire. Each such extension shall be on the same terms and conditions as those in effect immediately before the beginning of the Extension Period at hand. Upon each delivery of an Extension Exercise Notice, (a) Thirty Thousand and No/100 Dollars ($30,000) of the Earnest Money shall become non-refundable to Buyer, except if (and only if) Seller materially breaches or defaults in its obligations under this Agreement (after the expiration of all applicable notice and cure periods [including as written in §11.3]), and (b) the number of Extension Options remaining for Buyer to exercise shall be reduced accordingly (i.e., to five (5), four (4), three (3), two (2), one (1), then zero (0) Extension Options). The Earnest Money (whether refundable or non-refundable) shall be applied towards the Purchase Price at the Closing.

3.5. AIR AND LIGHT EASEMENT.

3.5.1. Buyer and Seller hereby acknowledge that (a) the Real Property is encumbered by the Huron Plaza Operating and Easement Agreement dated May 21, 1981, and recorded on May 28, 1981 as Document Number 25885058 (the "**Declaration**"), and (b) pursuant to §2(G) of the Declaration, the Real Property is burdened by a non-exclusive light and air easement beginning at a height of 99.75 feet above Chicago City Datum (the "**L&A Easement**").

3.5.2. Notwithstanding anything to the contrary herein, during the Due Diligence Period (as same may be extended), Buyer shall be permitted to contact the Apartment Owner (as defined in the Declaration) and 716 Rush Street Owner (as defined in the Declaration) for the sole purpose of requesting a *de minimis* modification of the L&A Easement (the "**L&A**

Easement Modification"). By way of example, a *de minimis* modification to the L&A Easement would be a request to increase the L&A Easement by two (2) feet to 101.75 feet above Chicago City Datum. Seller, as "Office Owner" under the Declaration, hereby agrees to support and consent to the L&A Easement Modification; provided, however, that Seller shall not be obligated to support, or consent to, any L&A Easement Modification that is not *de minimis*. Further, (a) in no event shall Seller have any obligation to incur any non-*de minimis* out-of-pocket cost or expense in connection with the L&A Easement Modification, (b) the L&A Easement Modification shall not be a condition to the Closing, and (c) the failure of Buyer to obtain the L&A Easement Modification shall not be a breach or default by Seller hereunder.

4. SERVICE CONTRACTS. "**Service Contracts**" shall mean all service contracts, vendor agreements, equipment leases, tenant-side brokerage agreements, and other contracts for services to which Seller is a party and that affect the Property, excluding, however, any property management agreement and any contract with any affiliate of Seller. Buyer may elect to assume any Service Contract by notifying Seller thereof no later than one (1) business day after the Due Diligence Period expires (each, an "**Assigned Contract**"). If Buyer does not deliver such notice, then Buyer shall be deemed to have elected to not assume any Service Contract. Excluding any Assigned Contracts, Seller, at its sole cost and expense, shall terminate all Service Contracts as of the Closing.

5. TITLE AND SURVEY.

5.1. TITLE COMMITMENT. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer (a) a commitment from Title Insurer for a 2006 ALTA owner's title insurance policy with respect to the Real Property that is in the amount of the Purchase Price, names Buyer as the proposed insured, and shows title being vested in Seller (the "**Title Commitment**"); and (b) copies of all documents described in the Title Commitment to the extent available (the "**Title Documents**").

5.2. SURVEY. As part of the Property Deliveries, Seller will deliver to Buyer its existing ALTA/NSPS survey of the Real Property (the "**Survey**"). Buyer may, at its sole cost and expense, obtain an update of the Survey before the Closing.

5.3. OBJECTIONS. If any items (excluding Unobjectionable Matters (defined below)) in the Title Commitment, Title Documents, and/or Survey are objectionable to Buyer, then within five (5) business days after Seller delivers the last of the Title Commitment, Title Documents, and Survey to Buyer, Buyer may notify Seller thereof (the "**Objection Notice**"; the matters therein are the "**Unpermitted Matters**"). All items in the Title Commitment, Title Documents, and/or Survey to which Buyer does not timely object—collectively with (a) any matter created by, through, or under Buyer, (b) taxes that are not yet due and payable, and (c) the Declaration of Restrictive Covenants attached hereto as Exhibit A (the "**Declaration**") (collectively, the "**Unobjectionable Matters**")—shall be deemed accepted and shall constitute "**Permitted Exceptions**." Within three (3) business days after receiving the Objection Notice (the "**Response Period**"), Seller may notify Buyer (the "**Response Notice**") as to which of the Unpermitted Matters (if any) that Seller will endeavor to cure by the Closing (each, a "**Cure**"). If (i) in the Response Notice Seller does not agree to endeavor to Cure any Unpermitted Matter, or (ii) Seller does not deliver a Response Notice within the Response Period, then Buyer's sole rights and options shall be to either (1) waive all such Unpermitted Matter(s) (in which event same shall become Permitted Exceptions) and proceed with this Agreement, or (2) terminate this Agreement by the earlier of (y) the second (2nd) business day after Seller delivers the Response Notice and (z) the end of the Due Diligence Period, in which event the Termination Obligations shall apply. If Buyer does not timely deliver such notice, then Buyer shall be deemed to have elected option (1) above. Notwithstanding anything to the contrary above, Seller, at its sole cost and expense, shall cause to be removed from the Title Policy (defined in §5.5) at or before the Closing all mortgages, deeds of trust, and similar security agreements that encumber the Real Property and to which Seller is a party (each, a "**Secured Instrument**"). If Seller does not timely fulfill its obligations in the immediately preceding sentence, then at the Closing, Buyer may deduct from the Purchase Price the amount required to remove such Secured Instrument from the Title Policy.

5.3.1. Between the end of the Due Diligence Period and the Closing, if any update to the Title Commitment or the Survey (if obtained) shows any new matters or conditions that materially and adversely affect the Real Property, then each of Buyer and Seller shall have the rights and obligations in the preceding paragraph, *mutatis mutandis*, with respect thereto and the Closing Date shall be extended commensurately to permit the time periods described in the preceding paragraph to elapse.

5.4. DECLARATION. At or before the Closing, Seller shall have the right to cause the Declaration to be recorded against the Real Property.

5.5. TITLE POLICY. Buyer's obligations at the Closing shall be contingent on Title Insurer being irrevocably committed to issuing to Buyer an ALTA owner's title insurance policy (the "**Title Policy**") that (a) contains only Permitted Exceptions, (b) is dated as of the recording of the Deed (defined in §8.2.1(ii)) and insures the gap between the effective date of the Title Commitment and the date of recording, and (c) includes extended coverage so long as the Survey, or an update to the Survey obtained by Buyer, is satisfactory to Title Insurer.

6. REPRESENTATIONS AND WARRANTIES; OTHERWISE AS-IS SALE.

6.1. SELLER'S REPRESENTATIONS AND WARRANTIES. Except as disclosed by the Property Deliveries or written in Schedule 3, Seller (a) represents to Buyer that the statements and matters written below are materially true, correct, and complete as of the Effective Date, and (b) warrants that such statements and matters (excluding, however, any representation that is expressly made as of the Effective Date) will be materially true, correct, and complete as of the Closing.

6.1.1. Seller is a limited liability company, duly organized and validly existing under the laws of the State of its formation. Seller has full power and authority to enter into this Agreement and bind Seller and the Property to the commitments made hereunder. The execution, delivery and performance by Seller of this Agreement does not, and shall not, constitute or cause a default or breach of any agreement or undertaking of Seller or concerning the Property.

6.1.2. As of the Effective Date, Seller does not have any knowledge of, and has not received any written notice of, any (a) material and unresolved claim, demand, or lawsuit made by any third party (including any governmental agency) that affects the Property; (b) material and unresolved violation by the Property of any law, ordinance, code, regulation, declaration of covenants, conditions, and restrictions, or similar agreements; or (c) condemnation or taking of any portion of the Property that is pending or threatened.

6.1.3. Other than the ALA Lease, no leases, licenses, occupancy agreements, possessory agreements, or use agreements (each, a "**Lease**") affect the Property and no Leases (including the ALA Lease) will be binding on Buyer after the Closing.

6.1.4. Excluding any Assigned Contracts, Seller has not entered into any Service Contracts that will bind the Property or Buyer after the Closing. Seller does not employ any employees who work at the Real Property.

6.1.5. As of the Effective Date, Seller has not received any written notice that the Real Property violates any federal, state, local or administrative agency ordinance, law, rule, regulation, order or requirement relating to environmental conditions or any Hazardous Material (defined below) ("**Environmental Laws**"). As of the Effective Date, to Seller's knowledge, during Seller's ownership of the Property there have not been any releases of Hazardous Materials on the Real Property in violation of Environmental Laws. "**Hazardous Material**" shall mean any substance, chemical, waste or other material that is listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or administrative agency ordinance or law, including (a) under CERCLA (42 U.S.C. §§9601 et seq.), RCRA (42 U.S.C. §§6901 et seq.), or any regulation, order, rule, or requirement adopted thereunder, and (b) any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or byproduct, crude oil, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel or mixture thereof, radon, asbestos, or "source," "special nuclear," or "byproduct" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. §§3011 et seq.

6.1.6. To Seller's knowledge, Seller is not a "benefit plan investor" within the meaning of §3(42) of the Employment Retirement Income Security Act of 1974, as amended ("**ERISA**").

6.1.7. To Seller's knowledge, Seller (a) is in compliance with the regulations of the Office of Foreign Assets Control of the U.S. Department of Treasury and any statute, executive order, or regulations relating thereto (collectively, the "**OFAC Regulations**"); and (b) is not listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC or any similar list maintained by OFAC or any other governmental authority (collectively, the "**Blocked Lists**").

Whenever any statement is qualified by the phrase "to Seller's knowledge," "to Seller's actual knowledge," or any similar phrase, the accuracy of such statement shall be based solely on the actual (and not imputed) knowledge of Matthew G. Garrison, Matthew M. Duhig, Jason Trailov and/or Tom Selimos (collectively, the "**Knowledge Person**"), without independent investigation or inquiry. The Knowledge Person is named solely to define the scope of Seller's knowledge. The Knowledge Person shall not have any liability under or relating to this Agreement (including any personal liability), and shall not have any duties or responsibilities to Buyer.

If Buyer (or any of its affiliates) or Seller gains actual knowledge of any fact or circumstance that has made (or will make as of the Closing) any of Seller's representations and warranties in this Agreement untrue, incorrect, or incomplete in any material respect (a "**Rep Change**"), then such party shall notify the other party thereof (a "**Change Notice**") within three (3) business days thereafter—and in all events (a) before the end of the Due Diligence Period if such Rep Change arises before the end of the Due Diligence Period, and (b) before the Closing if such Rep Change arises between the end of the Due Diligence Period and the Closing. If Buyer does not timely (i) deliver a Change Notice or (ii) elect to terminate this Agreement pursuant to §3.4 or §11.1 (as applicable), then (1) the applicable representation(s) or warranty(ies) by Seller shall be deemed to have been modified to reflect such Rep Change, and (2) Buyer shall not have any rights or remedies in connection therewith.

Notwithstanding anything to the contrary in this Agreement, whether or not Buyer (or any of its affiliates) gains actual knowledge of a Rep Change, (y) Buyer shall be deemed to know of any fact or circumstance that is disclosed (or to the extent same is disclosed) by this Agreement, the Property Documents, any other document or material that Seller provides or makes available to Buyer, or any study, test, report, analysis, materials, or information that is prepared or obtained by, for, through, or under Buyer or any of its affiliates in connection with the Property (individually and collectively, the **"Information"**); and (z) Buyer shall be deemed to know that a representation or warranty of Seller is untrue, inaccurate, or incorrect to the extent the Information is inconsistent with such representation or warranty.

6.2. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents to Seller that the statements and matters written below are materially true, correct, and complete as of the Effective Date, and warrants that such statements and matters will remain materially true, correct, and complete as of the Closing.

6.2.1. Buyer is an individual. Buyer has full power and authority to enter into this Agreement and bind Buyer to the commitments made hereunder. The execution, delivery and performance by Buyer of this Agreement does not, and shall not, constitute or cause a default or breach of any agreement or undertaking of Buyer.

6.2.2. To Buyer's actual knowledge, Buyer is not a "benefit plan investor" within the meaning of §3(42) of ERISA.

6.2.3. To Buyer's actual knowledge, Buyer is in compliance with all OFAC Regulations and is not listed on any Blocked List.

6.3. AS-IS SALE. ACKNOWLEDGING BUYER'S OPPORTUNITY TO INSPECT THE PROPERTY, BUYER AGREES, SUBJECT TO SELLER'S REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED BY SELLER AT THE CLOSING, TO TAKE THE PROPERTY AS-IS, WHERE-IS, AND WITH ALL FAULTS AND CONDITIONS THEREON. BUYER ACKNOWLEDGES AND AGREES THAT, SUBJECT TO SELLER'S REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SELLER AT THE CLOSING, SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, ASSURANCES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE) OF, AS TO, CONCERNING, OR WITH RESPECT TO THE PROPERTY OR ANY MATTER PERTAINING OR RELATING TO THE PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING (A) THE NATURE, QUALITY, OR CONDITION OF THE PROPERTY; (B) THE VALUE OF THE PROPERTY OR THE INCOME TO BE DERIVED FROM THE PROPERTY; (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES THAT BUYER MAY CONDUCT THEREON; (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES, OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (E) THE HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; OR (F) ANY OTHER MATTER. This §6.3 shall survive the Closing.

6.4. SURVIVAL. Each of (a) Seller's representations and warranties in this Agreement or any document executed in connection with this Agreement (collectively, **"Seller's Representations and Warranties"**) and (b) Buyer's representations and warranties in this Agreement or any document executed in connection with this Agreement shall survive a Closing for a period of three (3) months (the **"Survival Period"**); provided, however, that if Buyer or Seller (as applicable) files a lawsuit with respect to a claimed breach of any such representation or warranty within the Survival Period, then such claim shall survive the Survival Period until such lawsuit is resolved. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, with respect to all of Buyer and Seller's Representations and Warranties, all of their respective obligations under or in connection with this Agreement, and all other matters pertaining to or arising from this Agreement, (i) in no event shall either Buyer or Seller's liability, respectively, exceed—in the aggregate, on a cumulative basis, and whether jointly or severally—one percent (1%) of the Purchase Price (the "**Claims Cap**"); and (ii) neither Buyer nor Seller may make a claim against the other unless the amount of such claim or claims, in the aggregate, exceeds Twenty-Five Thousand and No/100 Dollars ($25,000.00) (in which event the full amount of such valid claims against such party shall be actionable up to, but not in excess of, the Claims Cap).

7. COVENANTS.

7.1. OPERATING COVENANTS. Between the Effective Date and the Closing, Seller shall (a) maintain the Property in substantially the same manner as before the Effective Date, subject to (i) reasonable wear and tear, casualty, and condemnation, and (ii) Seller's express rights in this Agreement; (b) not create or suffer on the Real Property any Secured Instrument that would survive the Closing without Buyer's prior consent in each instance; (c) not enter into, modify, amend, or compromise any Lease or Service Contract that would survive the Closing without Buyer's prior consent in each instance (provided, however, that Seller shall be permitted to extend the term of the ALA Lease by up to ninety (90) days without Buyer's consent); (d) not request or suffer any material change to the Real Property's zoning or entitlements, except as expressly permitted in this Agreement; (e) not materially alter the Real Property, except as expressly permitted in this Agreement; and (f) promptly deliver to Buyer a copy of any notice of violation of any applicable law, ordinance, or code delivered by a governmental authority.

7.2. PLANNED DEVELOPMENT 173.

7.2.1. Status. Buyer acknowledges being informed by Seller that (a) the Property and the Adjacent Property are zoned Planned Development 173 (the "**PD**"), and (b) to modify the parameters of the PD requires unanimous consent of the other property owners in the PD. Further, each of Buyer and Seller acknowledge being informed by the other that each intends to seek an amendment to the PD with respect to the Property and the Adjacent Property, as applicable (including, without limitation, to expand the permitted uses, density, and other aspects of the PD as same relate to the Property and the Adjacent Property, as applicable).

7.2.2. Buyer's Obligations. Buyer hereby agrees to support and consent to any and all approvals under, and amendments to, the PD requested by Seller from time to time (each, a "**PD Change**"); provided that Buyer shall not be obligated to support, or consent to, any PD Change that would increase the direct obligations of, or reduce or eliminate rights benefitting, the owner of the Property as such rights and obligations exist as of the Effective Date or as same may exist from time to time. In connection therewith, Buyer shall (a) execute all amendments, petitions, requests, filings, disclosures, and/or other documents, (b) attend and participate in any meetings or hearings (so long as Buyer has adequate notice of such meetings or hearings), and (c) provide all information that, in each case (i.e., each of (a)-(c)), is reasonably necessary and requested by Seller in connection with a PD Change. Subject to the terms hereof, Buyer shall also cooperate reasonably and in good faith with Seller with respect to any PD Change (excluding, however, any obligation on Buyer to incur any non-*de minimis* out-of-pocket cost or expense).

7.2.3. Seller's Obligations. From and after the Closing, Seller hereby agrees to support and consent to any and all PD Changes requested by Buyer from time to time; provided that Seller shall not be obligated to support, or consent to, any PD Change that (a) violates the Declaration, or (b) increases the direct obligations of, or reduces or eliminates rights benefitting, the owner of the Adjacent Property as such rights and obligations exist as of the Effective Date or as same may exist from time to time. In connection therewith, Seller shall (i) execute all amendments, petitions, requests, filings, disclosures, and/or other documents, (ii) attend and participate in any meetings or hearings (so long as Seller has adequate notice of such meetings or hearings), and (iii) provide all information that, in each case (i.e., each of (i)-(iii)), is reasonably necessary and requested by Buyer in connection with a PD Change. Subject to the terms hereof, Seller shall also cooperate reasonably and in good faith with Buyer with respect to any PD Change (excluding, however, any obligation on Seller to incur any non-*de minimis* out-of-pocket cost or expense).

7.2.4. Rights and Remedies. Each of Seller and Buyer shall have all rights and remedies that are available to it at law or in equity in connection with any default under this §7.2.

7.2.5. Rights are Personal; Survival. The rights granted to, and obligations burdening, each of Seller and Buyer in this §7.2 are personal to Seller and Buyer and their respective Controlled Affiliates (defined below) and shall not (a) be assigned or transferred to any other party (other than to a Permitted Transferee (defined in §14.2.1)), or (b) run with the Land. Subject to the immediately foregoing sentence, this §7.2 shall survive the Closing.

7.2.5.1. "**Controlled Affiliate**" means, with respect to any specified person or entity, any person or entity that directly or indirectly, Controls, is Controlled by, or is under common Control with such specified person or entity, or (b) owns fifty percent (50%) or more of a specified entity. "**Control**" or any derivation thereof, means possessing, whether directly or indirectly, the power to direct or cause the direction of the management or policies of a person or entity by any means whatsoever.

8. CLOSING.

8.1. IN GENERAL. The sale of the Property to Buyer and the other transactions described in this Agreement shall be consummated (the "**Closing**") on the Closing Date. The Closing shall occur at the office of Escrowee and through a "New York style" closing escrow, into which Seller and Buyer shall deposit all Closing documents and items specified in this Agreement. Neither party shall be obligated to physically attend the Closing.

8.2. CLOSING DOCUMENTS AND ITEMS.

8.2.1. Seller's Deliveries. At the Closing, Seller shall deliver to Buyer the items listed below, each executed by Seller as applicable.

(i) A closing statement that is prepared by Escrowee and contains prorations, credits, and debits in accordance with this Agreement (the "**Closing Statement**")

(ii) A customary special warranty deed, subject only to the Permitted Exceptions (the "**Deed**")

(iii) A customary assignment and assumption of all Intangible Personal Property and any Assigned Contracts (the "**General A-A**")

(iv) A customary bill of sale for the Tangible Personal Property

(v) A customary FIRPTA affidavit

(vi) Any other documents (e.g., transfer tax declarations) that are reasonably necessary or expedient to consummate the transactions contemplated by this Agreement

At the Closing, Seller shall also deliver to Title Insurer an ALTA Statement, a Gap Undertaking, and evidence of Seller's authority to enter into and perform its obligations under this Agreement.

At the Closing, Seller shall either deliver to Buyer or make available at the Property all books, records, warranties, guaranties, keys, security codes, and similar items that pertain to the Property and are in Seller's possession or control.

8.2.2. Buyer's Deliveries. At the Closing, Buyer shall deliver to Seller the items listed below, each executed by Buyer as applicable.

(i) The balance of the Purchase Price, plus and minus the credits, debits, and prorations provided herein, in immediately available U.S. funds

(ii) A counterpart of the Closing Statement

(iii) A counterpart of the General A-A

(iv) Any other documents (e.g., transfer tax declarations) that are reasonably necessary or expedient to consummate the transactions contemplated by this Agreement

At the Closing, Buyer shall also deliver to Title Insurer such affidavits, certifications and other documents reasonably required by Title Insurer in connection with its issuance of the Title Policy, and evidence of Buyer's authority to enter into and perform its obligations under this Agreement.

8.3. POSSESSION. Subject to the Permitted Exceptions, Seller shall deliver full and exclusive possession of the Property to Buyer at the Closing.

9. CLOSING COSTS, PRORATIONS, CREDITS AND DEBITS.

9.1. CLOSING COSTS. Without limiting any allocation of costs elsewhere in this Agreement:

9.1.1. Seller's Costs. Seller shall pay (1) all costs of the Title Commitment and the Title Policy (including extended coverage but excluding all other endorsements as well as any amount of insurance exceeding the Purchase Price), (2) one-half of all escrow fees charged by Escrowee and/or Title Insurer, and (3) all fees and expenses of Seller's attorneys and consultants.

9.1.2. Buyer's Costs. Buyer shall pay (1) all costs of endorsements to the Title Policy other than extended coverage, (2) the cost of any updates or modifications to the Survey requested by Buyer or its lender (if any), (3) all recording costs, (4) one-half of all escrow fees charged by Escrowee and/or Title Insurer, (5) all costs and expenses arising from any loan obtained by Buyer, and (6) all fees and expenses of Buyer's attorneys and consultants.

9.1.3. Other Costs. All other customary closing costs (e.g., transfer taxes) shall be allocated in accordance with local custom.

9.2. REAL ESTATE TAXES.

9.2.1. Proration. Buyer acknowledges being informed by Seller that (a) the ALA owned the Real Property until November 26, 2019, and (b) since the ALA is a not-for-profit corporation, (i) the Cook County Assessor's Office (the "**Assessor**") has not calculated or determined the assessed value of the Real Property (the "**AV**") as of the Effective Date, and (ii) general real property taxes, assessments, special assessments, and similar impositions (collectively, "**Taxes**") have not been due or payable with respect to the Real Property. If before the Closing: (1) the Assessor publishes or releases an AV for the Real Property, then Taxes shall be prorated on an accrual basis, as of the Closing Date, based on such AV, multiplied by the most recent tax rate and equalization factor for the Real Property; and (2) the Assessor has not published or released an AV for the Real Property, then Taxes shall be prorated on an accrual basis, as of the Closing Date, based on an estimated AV of $1,500,000, multiplied by the most recent tax rate and equalization factor for the Real Property (such amount, as applicable, the "**Estimated Tax Credit**").

9.2.2. Escrow. In lieu of a cash credit at the Closing, Seller shall deposit an amount equal to the Estimated Tax Credit into a strict joint order escrow with the Title Insurer pursuant to its customary strict joint order escrow agreement (the "**Tax Escrow**"). When each tax bill is issued for the Real Property for each year for which a proration is made hereunder, Buyer and Seller shall jointly direct the Title Insurer to release an amount sufficient to pay Seller's share of such tax bill from the Tax Escrow. If the Estimated Tax Credit is insufficient to pay the amount owed by Seller (each, a "**Deficiency**"), Seller shall promptly pay an amount equal to the Deficiency to Buyer. If the Estimated Tax Credit is sufficient to pay all amounts owed by Seller, then Buyer and Seller shall jointly direct the Title Insurer to release the balance of the funds in the Tax Escrow, if any, to Seller.

9.2.3. Appeals. Seller shall have the right to file (a) an appeal of the AV, and/or (b) for a refund of Taxes with respect to any tax year corresponding to its period of ownership, or portion thereof (each, a "**Tax Appeal**"). In connection therewith, Seller shall have the right to withdraw, settle, or otherwise compromise any Tax Appeal with Buyer's consent, which consent shall not be unreasonably withheld, conditioned or delayed. If Buyer's consent is legally required in connection with any Tax Appeal filed by Seller, Buyer shall cooperate with Seller in good faith, including executing all documents, and providing all approvals, reasonably required by Seller. Any refunds, credits, tax savings, and commercially reasonable costs pertaining to any such Tax Appeal shall be prorated in the same manner as Taxes are prorated under §9.2.1.

9.2.4. Survival. This §9.2 shall survive the Closing.

9.3. OTHER ITEMS. Any other operating income or expense that is customarily prorated in transactions similar to the transaction in this Agreement and not otherwise addressed herein shall be prorated as of the Closing Date.

9.4. CALCULATION. For purposes of calculating the prorations provided for in this Agreement, Buyer shall be deemed to be the owner of the Property on the Closing Date. Other than Taxes as written in §9, all prorations, credits, and debits under this Agreement shall be final and not subject to re-proration or adjustment.

10. SEPARATION WORK.

10.1. CERTAIN DEFINITIONS.

10.1.1. **"Approvals"** means any necessary governmental and private permits, licenses, variances, consents and approvals necessary to perform the Separation Work.

10.1.2. **"Adjacent Property"** means the property commonly known as 40 E. Huron Street, Chicago, IL 60611.

10.1.3. **"Force Majeure Delay"** means any delay caused by any strike, lockout, labor trouble (whether legal or illegal), civil disorder, failure of utilities, restrictive laws or orders (including any that prevent or materially impede or interfere with the Property including any so called "stay at home" or "shelter-in-place" order), governmental authority, riots, insurrections, war, terrorism, pandemics or other significant outbreaks of infectious diseases, shortages, accidents, casualties, acts of God (including severe weather), and any other cause beyond the reasonable control of such party.

10.1.4. **"Permitting Delay"** means any delay in obtaining any Approvals required to perform the Separation Work so long as Seller has been pursuing same in good faith and with reasonable diligence.

10.1.5. **"Separation Work"** means performing, subject to and in accordance with the terms and provisions herein, the scope of work attached hereto as Schedule 4, as such scope may be modified from time to time by Change Orders (defined in §10.3).

10.2. SEPARATION WORK.

10.2.1. Buyer acknowledges being informed by Seller that, as of the Effective Date, the Property is operated in common with the Adjacent Property. Promptly after the later of (a) the ALA vacating and surrendering possession of the Property and the Adjacent Property, and (b) the end of the Due Diligence Period, Seller, at its sole cost and expense, shall perform the Separation Work in a good and workmanlike manner, and using Building-standard means, methods, and materials. If, despite Seller's good faith and commercially reasonable efforts, the Separation Work is not complete by the one hundred twentieth (120th) day after the end of the Due Diligence Period, as same may be extended (the **"Separation Deadline"**), then, except to the extent caused by Force Majeure Delays or Permitting Delays (in which event the Separation Deadline shall be extended on a day-for-day basis), at any time before the Separation Work is complete, Buyer, as its sole and exclusive remedy, may either (i) terminate this Agreement by delivering written notice to Seller, in which event the Termination Obligations shall apply, or (ii) elect to cause the Closing to occur as if the Separation Work were complete. If Buyer elects to proceed as if the Separation Work were complete, Buyer shall deliver written notice thereof to Seller and the Closing shall occur on the tenth (10^{th}) business day after delivery of such notice. To the extent that the Separation Work is not complete by the Closing, Seller shall deposit, into a strict joint order escrow with Escrowee, an amount equal to one hundred fifty percent (150%) of the remaining cost to complete the Separation Work, as mutually determined by Buyer and Seller (the **"Separation Work Deposit"**; the escrow therefor, the **"Separation Work Escrow"**).

10.2.2. If applicable, each of Seller and Buyer shall cooperate in good faith to determine the Separation Work Deposit. If Seller and Buyer do not agree upon the Separation Work

Deposit within five (5) business days of the Closing, then each of Seller and Buyer may—as its sole and exclusive remedy, and by delivering a Notice of Demand (defined in §10.4)—elect to resolve such dispute by an arbitration as provided in §10.5. The preceding limitation shall not, however, preclude parties from seeking provisional remedies in aid of such arbitration from a court of competent jurisdiction.

10.2.3. If the Separation Work is not completed by the Closing, from and after the Closing, Seller shall have the right to enter upon the Property to perform the remaining Separation Work. From time to time in connection therewith, Seller may deliver a written request to Buyer and Escrowee to disburse funds from the Separation Work Escrow to pay for the Separation Work (each, a "**Disbursement Request**"). Upon the submission of a Disbursement Request, along with invoices and other reasonable supporting documentation therefor, Buyer shall promptly authorize the Disbursement Request. If, upon completion of the Separation Work, any funds remain in the Separation Work Escrow, same shall be promptly released to Seller.

10.3. Seller's Change Orders. If any change to the Separation Work is (a) necessary in connection with obtaining any Approval, or (b) necessary due to an unforeseen field condition or other unforeseen condition, then Seller may deliver a Change Order to Buyer (each, a "**Change Order**"). If a Change Order is delivered, then Buyer shall have the right to approve same, which approval shall not be unreasonably withheld, conditioned, or delayed. Buyer shall cooperate with Seller in finalizing such Change Order, including value engineering the scope of work if Seller desires. Buyer shall provide any comments to Seller (i) within five (5) business days after the initial proposed Change Order is provided to Buyer, and (ii) within three (3) business days after any revised proposed Change Order is provided to Buyer. If Buyer does not timely respond as required above, then Seller shall deliver a notice informing Buyer of same and if Buyer does not timely respond within three (3) business days after receiving such notice, then Buyer shall be deemed to have approved the Change Order. Within three (3) business days after receiving Buyer's comments, Seller shall cause the proposed Change Order to be revised and resubmitted to Buyer for Buyer's reasonable review and approval until same is approved (or deemed to have been approved) by Buyer (in which event the "Separation Work" means the Separation Work as modified by such Change Order). Throughout the preceding process, Buyer and Seller shall work together in good faith to resolve any objections by Buyer and agree upon a final Change Order.

10.4. Disagreements. If any disagreement about a Change Order is not resolved within fourteen (14) days after a Change Order is delivered, then each of Seller and Buyer may—as its sole and exclusive remedy, and by delivering a notice of demand for arbitration with the Office (defined below) and delivering a copy thereof to the other (a "**Notice of Demand**")—elect to resolve such dispute by an arbitration as provided in §10.5. The preceding limitation shall not, however, preclude parties from seeking provisional remedies in aid of such arbitration from a court of competent jurisdiction.

10.5. Arbitration.

10.5.1. Fast Track Baseball Arbitration. Any arbitration under this Article 10 shall be (a) administered by the American Arbitration Association (together with its successors from time to time, the "**AAA**") pursuant to the Construction Industry Dispute Resolution Procedures—Fast Track Procedures of AAA that are in effect as of the Effective Date (the "**Rules**"), (b) conducted by an arbiter who is (i) certified by AAA, (ii) has at least ten (10) years of experience in construction arbitration, (iii) is independent and unrelated in business or otherwise to Buyer or Seller, their respective affiliates, or any of their respective attorneys or representatives, and (iv) has demonstrated a continuing commitment to arbitration education and training (each, a "**Qualified Arbiter**") as provided below, and (c) conducted at the Regional Office of AAA that is closest to the location of the Property (the "**Office**") or such other location as may be mutually acceptable to Seller and Buyer. The arbitration shall be a baseball-style arbitration—i.e., an arbitration in which the Qualified Arbiter shall determine, in his/her opinion, which of Seller's Position or Buyer's Position is closer to the correct result. The Qualified Arbiter shall not have any power to (1) select an alternative position, outcome, or decision different from one of Seller's Position or Buyer's Position, (2) select parts of each party's Position, or (3) modify the provisions of this Agreement.

10.5.2. Appointment of Arbiter(s). During the five (5)-day period after a Notice of Demand is delivered, Seller and Buyer shall attempt in good faith to agree on a single Qualified Arbiter to decide the dispute at hand. If Seller and Buyer do not so agree, then either Seller or Buyer, on behalf of both parties, may petition AAA to appoint the Qualified Arbiter. Upon a failure, refusal, or inability of a Qualified Arbiter to act, his or her successor shall be appointed in the same manner as provided for the original appointment.

10.5.3. Brief; Discovery; Evidence. At least five (5) days before the arbitration hearing, each of Seller and Buyer shall prepare and submit a brief or memorandum that (a) is prepared by Seller or Buyer (as applicable); (b) is of a reasonable length; and (c) inter alia, (i) discusses the issues, facts, applicable contract provisions, and any applicable law, (ii) attaches a copy of any documents (or pertinent part(s) thereof) that are referenced therein, except that any statutes or judicial decisions may simply be cited without attaching a copy, and (iii) states Seller or Buyer's position (as applicable) on the dispute at hand (as applicable, "**Seller's Position**" or "**Buyer's Position**"; each a "**Position**") (each, a "**Brief**") to the Qualified Arbiter. The Qualified Arbiter shall not disclose either party's Brief to the other party. Discovery shall not be allowed. The only evidence that each party may submit to the Qualified Arbiter shall be any evidence that is part of such party's Brief.

10.5.4. Written Opinion. Within a reasonable time (not to exceed five (5) Business Days) after receiving each party's Brief, the Qualified Arbiter shall issue a written statement of his/her decision to select either Seller's Position or Buyer's Position. The decision of the Qualified Arbiter shall be final and binding upon Seller or Buyer, and the dispute at hand shall be fully, finally, and unappealably resolved thereby. Judgment on such decision may be entered in any court of competent jurisdiction.

10.5.5. Fees and Expenses. All fees and expenses charged by AAA shall be paid initially by Seller and Buyer equally; provided, however, that the party whose Position is not chosen shall immediately reimburse or pay (as applicable) all of the arbitration-related fees and costs of the party whose Position is chosen, including such party's reasonable attorneys' fees and share of AAA's fees and expenses.

10.6. OTHER WORK. Seller and Buyer acknowledge that the Property and/or the Adjacent Property may be interdependent in ways not contemplated by the Separation Work and it may be necessary to perform other work to separate the Property and Adjacent Property ("**Other Work**"). If necessary, Seller shall cause such Other Work to be performed; provided, however, that (a) Seller shall not be obligated to perform the Other Work if same is not reasonably feasible, (b) Seller shall not be obligated to make structural alterations to the Adjacent Property, and (c) in performing the Other Work, Seller shall not be obligated to spend more than the positive difference between (i) the actual cost of the Separation Work, and (ii) Five Hundred Thousand and No/100 Dollars ($500,000) (the "**Other Work Cap**"), as reasonably determined by Seller.

(For example, (1) if the Separation Work costs Two Hundred Seventy-Five Thousand and No/100 Dollars ($275,000), then Seller shall not be obligated to spend more than Two Hundred Twenty-Five Thousand and No/100 Dollars ($225,000) toward the Other Work, and (2) if the Separation Work costs Five Hundred Ten Thousand and No/100 Dollars ($510,000), then—unless Buyer, in its sole and absolute discretion, elects to pay any and all costs in excess of the Other Work Cap—Seller shall not be obligated to perform the Other Work.) If the Other Work is not reasonably feasible, requires structural alterations to the Adjacent Property or—unless Buyer, in its sole and absolute discretion, elects to pay any and all costs in excess of the Other Work Cap—costs more than the Other Work Cap, then each of Seller and Buyer, as their sole and exclusive remedy, may terminate this Agreement at any time before the date on which the Other Work is complete, in which event the Termination Obligations shall apply.

10.7. SURVIVAL. This §10 shall survive the Closing.

11. DEFAULTS AND REMEDIES.

11.1. DEFAULT BY SELLER. If Seller materially breaches or defaults under this Agreement before the Closing occurs, then Buyer, as its exclusive options, may elect one of the following remedies by notifying Seller thereof prior to the scheduled Closing Date: (a) terminate this Agreement, in which event the Termination Obligations shall apply; (b) specifically enforce this Agreement by filing a suit therefor within six (6) months after the scheduled Closing Date; or (c) waive such failure and all rights and claims relating thereto, and proceed with this Agreement. If Buyer does not timely deliver such notice, then Buyer shall be deemed to have elected clause (c) of the immediately preceding sentence.

11.2. DEFAULT BY BUYER. If Buyer materially breaches or defaults under this Agreement before the Closing occurs (except with respect to a breach of §3.2 or §13.1 of this Agreement), then Seller, as its sole and exclusive remedy, may terminate this Agreement, in which event the Earnest Money shall be paid to Seller as liquidated damages, and thereafter neither party shall have any further rights, obligations, or liabilities hereunder except for any that expressly survive a termination of this Agreement. Each of Seller and Buyer acknowledges and agrees that (a) the retention of the Earnest Money by Seller is a reasonable estimate of Seller's damages if such a default were to occur and such damages have been specifically negotiated between them; (b) actual damages may or would be difficult and inconvenient to ascertain in such an event; and (c) this provision is not a penalty or unreasonable forfeiture under any applicable law. With respect to a breach or default under §3.2 or §13.1 of this Agreement, Seller shall be entitled to all rights and remedies that may be available to Seller at law and/or in equity.

11.3. CURE PERIOD FOR BREACHES. Notwithstanding anything to the contrary in this Agreement, neither Seller nor Buyer may exercise any right or remedy available to it for a breach of the other party's obligations unless and until (a) it notifies the other party of such breach, and (b) the other party does not cure such breach within five (5) business days thereafter.

11.4. PREVAILING PARTY. In connection with any claim, action, or proceeding pertaining to this Agreement (including any document or agreement executed in connection herewith), the Prevailing Party therein shall be entitled to receive, and shall be awarded, all its court costs and reasonable attorneys' fees. Such costs and fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. "**Prevailing Party**" means the party who substantially attains or defeats the relief sought (as the case may be) as determined by final judgment of a court of competent jurisdiction (which means the judgment upon final appeal if one or more appeals are filed).

11.5. <u>Survival</u>. §§11.1, 11.2, and 11.4 shall survive a termination of this Agreement. §11.4 shall also survive a Closing.

12. <u>CASUALTIES AND TAKINGS</u>.

12.1. <u>Definitions</u>. **"Casualty"** shall mean any casualty to the Property or any portion thereof. **"Major Casualty"** shall mean a Casualty that is reasonably estimated to cost more than ten percent (10%) of the Purchase Price to repair. **"Taking"** shall mean any actual or threatened (in writing) condemnation or other taking of the Property or any portion thereof by any governmental authority. **"Seller Amounts"** shall mean (a) the reasonable and actual third-party costs, expenses, and fees (including reasonable attorneys' fees) incurred by Seller in connection with any claim that Seller makes to an insurer or governmental authority relating to a Casualty or Taking (as applicable); (b) the proceeds of any rental loss, business interruption, or similar insurance; and (c) the reasonable and actual third-party costs, expenses, and fees (including reasonable attorneys' fees) incurred by Seller in stabilizing the Property following a Casualty or Taking; provided, however, that in no event shall Seller Amounts exceed the greater of (i) five percent (5%) of the total C/T Proceeds (defined in §12.2.2), and (ii) Fifty Thousand and No/100 Dollars ($50,000).

12.2. <u>Process</u>.

12.2.1. If a Casualty or a Taking occurs, then Seller shall promptly notify Buyer thereof and provide Buyer with reasonable information thereon, including any correspondence with Seller's insurer or the taking authority, as applicable (collectively, the **"C/T Notice"**). Additionally, (a) with respect to a Casualty, Seller shall promptly file a claim for payment with Seller's insurer(s), and (b) with respect to a Taking, Seller shall promptly attempt to negotiate compensation with the taking authority. Seller shall keep Buyer reasonably informed on such Casualty or Taking, as applicable.

12.2.2. With respect to any Major Casualty or any Taking, Buyer, as its sole rights and options, may either (a) terminate this Agreement, in which event the Termination Obligations shall apply, or (b) proceed under this Agreement, in which event at the Closing (i) to the extent the insurance or condemnation proceeds that are or may be payable in connection with such Casualty or Taking (the **"C/T Proceeds"**) have been paid to Seller, Buyer shall receive a credit equal to the C/T Proceeds less any Seller Amounts, and (ii) to the extent the C/T Proceeds have not been paid to Seller, Seller shall assign to Buyer all of Seller's rights, title, and interest therein and thereto, excluding its right to any Seller Amounts (clauses (i) and (ii) are, collectively, the **"C/T Credit"**). Buyer shall elect option (a) or (b) by delivering a notice thereof to Seller within ten (10) business days after receiving the C/T Notice, and the Closing Date shall be extended, if necessary, to permit Buyer to make such election within such ten (10) business-day period. If Buyer does not timely deliver such notice, then Buyer shall be deemed to have elected option (a).

12.2.3. With respect to any Casualty that is not a Major Casualty, (a) Buyer shall not have the right to terminate this Agreement, and (b) at the Closing, Buyer shall receive the C/T Credit.

13. <u>BROKERS</u>. This §13 shall survive the Closing.

13.1. <u>Brokers</u>. Each of Seller and Buyer (a) represents and warrants to the other party that except for Seller's Broker or Buyer's Broker (as applicable), no person or entity acting as a real estate broker, finder or agent has negotiated this Agreement on its behalf or is entitled to any commission by, through, or under it; and (b) shall indemnify, defend and hold the other party harmless from and against all damages, claims, or liabilities incurred by the other party from a breach of such representation and warranty.

13.2. Commissions. At the Closing, Seller shall pay a commission to Buyer's Broker in accordance with a separate written agreement between Seller and Buyer's Broker.

14. MISCELLANY. This §14 shall survive the Closing.

14.1. Notices. All notices, requests, consents, approvals, demands, and other communications that are required or allowed under this Agreement (each, a "**notice**"; the verb form is "**notify**") *must* be (a) in writing, (b) delivered to the email address/email addresses written in the Basic Terms (or to such other address/addresses as either party may from time to time notify the other thereof), and (c) delivered by email. Each notice shall be effective when delivered or delivery is refused (whether affirmatively or due to the recipient failing to maintain a current address for receiving notices with the sender).

14.2. Assignments; Successors and Assignees.

14.2.1. Except to a Permitted Transferee (defined below) and with notice to Seller at least five (5) business days before the Closing, Buyer shall not assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without Seller's prior consent. "**Permitted Transferee**" shall mean any entity that is (whether directly or indirectly) controlling, controlled by, or under common control with Buyer (e.g. both the initial "Buyer" and the Permitted Transferee are controlled by the initial "Buyer's" manager or president).

14.2.2. Subject to §14.2.1, (a) this Agreement shall bind and inure to the benefit of Seller and Buyer and their respective legal representatives, successors, and assignees, and (b) all references herein to Seller and Buyer shall be deemed to include all such parties.

14.3. §1031 Exchange. Each of Seller and Buyer (each, an "**Exchanging Party**") may consummate the sale or purchase of the Property (as applicable) through a like-kind exchange (an "**Exchange**") pursuant to §1031 of the Internal Revenue Code of 1986, as amended (the "**Code**"). Each of Seller and Buyer shall reasonably cooperate with any Exchange performed by the other party; provided, however, (a) neither party shall be obligated to incur any non-*de minimis* cost in connection with such cooperation, and (b) the Closing shall not be delayed or affected by reason of an Exchange nor shall the consummation or accomplishment of an Exchange be a condition precedent or condition subsequent to an Exchanging Party's obligations under this Agreement.

14.4. Further Assurances. Each party hereto shall do such acts and things as the other party may reasonably request to carry out this Agreement's intent.

14.5. Construction.

14.5.1. Entire Agreement. This Agreement, together with all attachments hereto (all of which are hereby incorporated herein and made a part hereof), is the complete and entire agreement between Seller and Buyer and supersedes all prior discussions, understandings, and agreements (whether oral or written, including all letters of intent) between Seller and Buyer regarding the subject hereof. No modification or amendment of, or waiver under, this Agreement shall be binding on Seller or Buyer unless it is in writing (and with respect to any modification or amendment, signed by both parties).

14.5.2. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provisions of this Agreement.

14.5.3. Interpretation. Each of Seller and Buyer has reviewed and approved this Agreement. Accordingly, rules of construction that resolve ambiguities against the drafting party shall not be used in interpreting this Agreement. Headings and titles in this Agreement are for convenience only. Unless specifically written to the contrary, all instances of "including" and other derivations of "include" shall mean "including, without limitation."

14.5.4. No Third-party Beneficiaries. Except if and as specifically written in this Agreement, (a) each of Seller and Buyer do not intend to confer—and nothing in this Agreement shall confer—any right, remedy, or benefit upon any third party (whether express or implied); and (b) no third party may enforce or otherwise acquire any right, remedy, or benefit by reason of this Agreement or its contents.

14.5.5. Time of Essence. Time is of the essence in this Agreement. Notwithstanding the foregoing, if any deadline under this Agreement falls on a Saturday, Sunday, or a holiday observed by the U.S.A., the State of Illinois, or the municipality in which the Real Property is located, then such deadline shall be extended to the next business day. Unless written otherwise, 5:00 p.m. (Central Time) shall be the time of each deadline.

14.5.6. Waiver. No waiver of any breach or any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act in this Agreement shall be deemed an extension of the time for performance of any other obligation or act in this Agreement.

14.5.7. Governing law. This Agreement shall be governed in all respects by the internal laws of the State without regard to its conflict-of-laws provisions. Any county or state court in the county in which the Real Property is located shall have exclusive jurisdiction to hear and determine any and all claims or disputes between Seller and Buyer pertaining to or arising from this Agreement. Each of Seller and Buyer waives trial by jury in any action, proceeding, or claim brought by it against the other party that pertains to or arises from this Agreement.

14.5.8. Actual Damages Only. None of Seller, Buyer, or their respective affiliates shall be liable for any indirect, special, or consequential damages in connection with this Agreement.

14.6. NO RECORDING. Except in connection with seeking specific performance as permitted in this Agreement, Buyer shall not record this Agreement, any memorandum of rights, any *lis pendens*, or any other document on title to the Real Property.

14.7. CONFIDENTIALITY. Seller and Buyer shall keep the terms of this Agreement confidential except to the extent that disclosure may be (a) required by any law or other governmental requirement or (b) reasonably required in connection with entering into this Agreement or closing the transactions described herein. This §14.7 shall survive the Closing or any termination of this Agreement.

14.8. EXECUTION. This Agreement may be executed in counterparts, and non-original signatures shall be as effective as originals for all purposes.

[signature page follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement on the Effective Date.

SELLER

Huron Property Owner, LLC, a Delaware limited liability company

By: Huron Property JV, LLC, its Manager

By: R2 Huron Sponsor, LLC, its Manager

By: ______________________
Name: Matthew G. Garrison
Title: Manager

BUYER

Eden Services Inc., an Illinois corporation

By: ______________________
Name: Michael J. Hamblet
Title: President

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement on the Effective Date.

SELLER

Huron Property Owner, LLC, a Delaware limited liability company

By: Huron Property JV, LLC, its Manager

By: R2 Huron Sponsor, LLC, its Manager

By:____________________
Name: Matthew G. Garrison
Title: Manager

BUYER

Eden Services Inc., an Illinois corporation

By:____________________
Name: Michael J. Hamblet
Title: President

JS | 4/29/20 | 20

SCHEDULE 1

LEGAL DESCRIPTION

LOT 13 IN HURON PLAZA, A RESUBDIVISION IN BLOCK 47 IN KINZIE'S ADDITION TO CHICAGO IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 13, 1981 AS DOCUMENT 25869229 AND FILED AS DOCUMENT LR 3214963, IN COOK COUNTY, ILLINOIS.

Address(es):	50 E. Huron Street, Chicago, Illinois 60611
PIN(s):	17-10-104-031-0000

SCHEDULE 2

PROPERTY DELIVERIES

Operations

1) OpEx
   a. Operating Budget: current year and previous two years
   b. Operating Statements (actuals): YTD and previous two years
   c. Utility Bills: last 12 months
2) CapEx
   a. Capital Expenditures: YTD and previous two years
3) Insurance
   a. Copies of current policies (property and liability)
4) Code Compliance
   a. Notices on any open building or code violations during Seller's period of ownership
5) Litigation and Claims
   a. Correspondence on any pending litigation or claims
6) Tax
   a. Any proposed tax assessments, tax appeal and tax bills

Service Contracts

1) All Service Contracts

Environmental Reports

1) Existing environmental reports and analyses

Other

1) Blue prints and mechanical operation manuals
2) Existing survey
3) Appraisals
4) List of keys
5) PD member contact information (if any)
6) The FOIA responses from the City of Chicago
7) PD Amendments

SCHEDULE 3

EXCEPTIONS TO REPRESENTATIONS

1. With respect to code violations, all violations of the Real Property shown by searching the website of the Department of Building of the City of Chicago: https://www.cityofchicago.org/city/en/depts/bldgs/provdrs/inspect/svcs/building_violationsonline.html.

SCHEDULE 4

SEPARATION WORK

- Generator, associated panel, and transfer switch in basement of 50 E. Huron will be disconnected. Conduit for generator between buildings will be cut and filled with firestopping material.
- Supplemental cooling condensing units will be disconnected and removed from 50 E. Huron's rooftop. Abandoned through-roof penetrations will be sealed and steel curbs and flashing will remain in place for future use.
- The fire alarm system will be demised and reprogrammed between the two buildings. Fire alarm panel is currently located in 50 E. Huron and will remain.
- Fire rated partitions will be built in the basement and 2nd through 5th floors (where the buildings adjoin) to create a physical separation and code required fire barrier between buildings.
- Through-wall penetrations or openings between 40 & 50 E. Huron will either be patched or firestopped to maintain the minimum required fire separation.
- Cameras mounted on 50 E. Huron will be removed from the building.

EXHIBIT A

DECLARATION

PREPARED BY, AND AFTER
RECORDING RETURN TO:
Jindal & Siomos
800 W. Central Rd., #162
Mt. Prospect, IL 60056
Attention: Vasilios P. Siomos

RECORDER'S STAMP

DECLARATION OF RESTRICTIVE COVENANTS

This DECLARATION OF RESTRICTIVE COVENANTS (this "**Declaration**") is made and declared as of _______________ ___, 20__ by **Huron Property Owner, LLC**, a Delaware limited liability company ("**Declarant**"), having an address for notices at % R2 Companies, 1200 N. North Branch St., #200, Chicago, IL 60642.

RECITALS

A. Declarant owns the real property that is legally described on Exhibit A attached hereto (the "**Property**"), which is commonly known as 50 E. Huron St., Chicago, IL 60611.

B. Declarant acquired the Property from the American Library Association, a Massachusetts non-for-profit corporation (the "**ALA**"), pursuant to a Purchase and Sale Agreement dated as of March 11, 2019 (as same may have been, or may further be, amended, modified, or assigned from time to time, the "**PSA**").

C. The PSA may obligate the Benefiting Parties (defined below) to pay the ALA Four Million Five Hundred Thousand Dollars ($4,500,000) if any Restrictive Covenant (defined in §1) is violated before the Sunset Date (defined in §2), together with Thirty Thousand Dollars ($30,000) for each thirty (30)-day period thereafter that such amount has not been paid (collectively, the "**Breach Payment**").

D. To ensure the Restrictive Covenants are not violated before the Sunset Date and the Breach Payment does not become due, Declarant desires to impose this Declaration on the Property for the benefit of only itself (i.e., Huron Property Owner, LLC, a Delaware limited liability company), its affiliate, R2 Capital, LLC, an Illinois limited liability company, and their respective assigns from time to time (collectively, the "**Benefiting Parties**").

DECLARATIONS

NOW, THEREFORE, Declarant hereby declares that all and every portion of the Property shall be held, conveyed, leased, used, occupied, and improved subject to the covenants, conditions, restrictions, use limitations, and obligations written herein, all of which shall run with the land, burden the Property, and shall be binding upon Declarant and its successors and assigns from time to time as well as any person or legal entity owning, leasing, or otherwise acquiring any interest in the Property or any portion thereof from time to time (each, a "**Burdened Party**"), and shall inure to the benefit of the Benefiting Parties.

1. RESTRICTIVE COVENANTS. The occurrence of any one of the following, on or before the Sunset Date (defined and as may be extended as provided below), is hereby prohibited: (w) the City of Chicago approving an amendment to Planned Development 173 to increase the maximum allowable number of dwelling units in the Property by any amount; or (x) the execution of a lease, license, or other occupancy or possessory agreement with any of Lurie Children's Hospital, Northwestern Memorial Hospital, or a Fortune 250 company or larger (or, in each case, one of their wholly-owned subsidiaries), for all, or a substantial portion, of the rentable square feet of space (without regard to parking spaces) at the Property (collectively, the "**Restrictive Covenants**").

2. TERM. The Restrictive Covenants shall expire at 12:01 a.m. on November 27, 2022 (the "**Sunset Date**") provided that the Sunset Date will automatically be extended for an additional period of time if and as follows: (y) an amendment as aforesaid to Planned Development 173 is pending determination by the City of Chicago, then the Sunset Date will be the day the City of Chicago fully and unappealably denies the amendment, or (z) a lease, license, or other occupancy or possessory agreement that would violate the Restrictive Covenants is in negotiations (but has not been executed), then the Sunset Date will be the day the proposed tenant terminates negotiations without a lease, license, or other occupancy or possessory agreement and such negotiations do not resume within thirty (30) days thereafter.

3. DEFAULT AND ENFORCEMENT.

   a. DEFAULT. No cure period shall exist for any breach of this Declaration. The violation of a Restrictive Covenant shall be deemed an immediate and incurable default hereunder.

   b. RIGHTS AND REMEDIES. If any Burdened Party violates, or if any of the Benefiting Parties in good faith believes that a Burdened Party intends to violate, a Restrictive Covenant, then such Benefiting Parties shall be entitled to all rights and remedies that may be available at law or in equity, including, without limitation, (a) the right to sue for monetary damages (including for an amount equal to the Breach Payment to be made to, or as directed by, the Benefiting Parties) and/or (b) a temporary restraining order, temporary injunction, permanent injunction, or other equitable relief.

   c. CUMULATIVE RIGHTS AND REMEDIES. All rights and remedies hereunder shall be cumulative and non-exclusive, and neither the existence of any such right nor the exercise thereof shall exclude or preclude the exercise of any other rights or remedies that may be permitted under this Declaration, at law, or in equity.

   d. PREVAILING PARTY. In connection with any claim, action, or proceeding pertaining to this Declaration, the Prevailing Party (defined below) therein shall be entitled to receive, and shall be awarded, all of its court costs and reasonable attorneys' fees. Such costs and fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. "**Prevailing Party**" shall mean the party who substantially attains or defeats the relief sought (as the case may be) as determined by a final judgment of a court of competent jurisdiction (which shall mean the judgment upon final appeal if one or more appeals are filed).

   e. INTEREST RATE; NON-PAYMENT AND LIENS. Any amount under this Declaration that is not paid when due shall accrue interest, from the date that such payment was due through the date on which such payment is made, at an annual rate of interest equal to the sum of the then-published prime rate of interest by U.S. Bank National Association (or a similar institution if said bank shall cease to exist or to publish such a prime rate) plus twelve percent (12%), based on a three hundred sixty (360)-day year, provided that any such rate shall not exceed the highest rate permitted by applicable law. In addition, each of the Benefiting Parties may, at its election, secure any amount that is due and unpaid by filing a lien upon the Property (each, a "**Lien**"). Each Lien shall be subject and subordinate only to liens for taxes and other public charges that by applicable law are expressly made superior. Subject to the priorities of lien stated above, any Lien may be foreclosed upon in the same manner as provided for enforcement of mechanic's liens or liens securing mortgage indebtedness. Immediately after a Lien is fully paid off or otherwise fully satisfied, the party who recorded such Lien shall record a release of same. Nothing in this §3(e) shall relieve any Burdened Party from its obligations under this Declaration.

4. INDEMNITY. Each Burdened Party shall indemnify, defend, and hold the Benefiting Parties harmless from and against any claims, suits, actions, proceedings, judgments, penalties, fines, liabilities, losses, damages (both actual and consequential, including sums paid in settlements of claims), and costs (including reasonable attorneys' fees, consultant fees, and expert fees) that arise from any breach of this Declaration by such Burdened Party, which obligations shall include (at a minimum) making, upon demand, the Breach Payment as directed by any of the Benefiting Parties.

5. DURATION.

   a. The restrictions, terms, and provisions in this Declaration shall (a) be effective until the Sunset Date, (b) create mutual benefits and covenants running with the land, (c) be enforceable by each of the Benefiting Parties; however, it is understood that if a breach or alleged breach of any Restrictive Covenant occurs before the Sunset Date, then each of the Benefiting Parties rights and remedies in this Declaration shall survive the Sunset Date.

   b. If and to the extent that any covenant herein would otherwise be unlawful or void for violating (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule that is analogous thereto or otherwise imposes limitations upon the time for which such covenants may be valid, then the affected provision shall continue and endure only until the expiration of a period of twenty-one (21) years after the date of the last to survive of the class of persons consisting of all of the lawful descendants of Donald Trump, President of the United States, living on the date of this Declaration.

6. MORTGAGES. Any mortgage or similar instrument that affects the Property or any portion thereof from time to time shall, at all times, be subject and subordinate to this Declaration, and all of its terms and provisions. Any mortgagee or other third party who (a) forecloses on the Property or any portion thereof, or (b) acquires title to the Property or any portion thereof by a deed in lieu of foreclosure, trustee sale, or otherwise shall in each case acquire title subject to this Declaration and all of its terms and provisions.

7. NOTICES. All notices, demands, and other communications that are required or allowed under this Declaration must be in writing. Same must be (a) delivered to the address/addresses written in the preamble (or to such other address/addresses as the Benefiting Parties or any Burdened Party may from time to time specify in a notice to the other in accordance with this section); (b) delivered by personal delivery or a national overnight courier; and (c) effective when delivered or delivery is refused, whether affirmatively or due to the recipient failing to maintain a current address for receiving notices with the sender.

8. MISCELLANY.

   a. LIABILITY ONLY DURING OWNERSHIP. No Owner shall be liable for any breach of this Declaration that is caused by any subsequent Burdened Party.

   b. SUBDIVISIONS; JOINT OWNERSHIP. If any portion of the Property is subdivided after the date hereof, then the benefits and burdens created hereby shall benefit and be binding upon each lot or tract created by such subdivision, and all references herein to the "Property" shall mean and refer to each and every lot or tract created by such subdivision. Anytime there is more than one Burdened Party, the obligations of each Burdened Party shall be joint and several.

c. SEVERABILITY. The invalidation of any of the covenants or restrictions herein by judgment or court order shall in no way affect the validity of any other provision herein, each of which shall remain in full force and effect.

d. NO WAIVER. Any waiver by any of the Benefiting Parties of any breach of this Declaration shall not be a waiver of any breach of any other covenant or any subsequent breach of the same covenant.

e. NO PUBLIC DEDICATION. Nothing in this Declaration shall be deemed to be a grant or dedication of any portion of the Property to the general public, for the general public, or for any public purposes whatsoever, it being the intention of Declarant that this Declaration shall be strictly limited to and for the purposes herein expressed.

f. CONSTRUCTION. Headings and titles shall be for convenience only—not interpretation. Unless specifically written to the contrary, all instances of "include," "including," and other derivations of "include" shall mean "including, but not limited to," or "including, without limitation,". Time is of the essence in this Declaration, except that if any deadline or similar date herein falls on a non-business day, then such deadline shall be extended to the next business day. Nothing in this Declaration shall create any relationship of principal and agent, partnership, joint venture, or other association between or among any Benefiting Parties and any Burdened Party.

g. LIMITED BENEFICIARIES. The only beneficiaries of this Declaration are and shall be the Benefiting Parties. Except for the Benefiting Parties, no third party shall have (or be deemed to have) any right, remedy, benefit, recourse, or standing under this Declaration.

h. GOVERNING LAW. This Declaration shall be governed by, and construed in accordance with, the laws of the State of Illinois, without regard to its conflict-of-laws principles.

i. ENTIRE DECLARATION; AMENDMENTS AND WAIVERS. This Declaration is the complete and entire publication regarding the subject matter hereof, and supersedes all prior discussions, understandings, and agreements (whether oral or written). No modification or amendment of, or waiver under, this Declaration shall be effective unless it is in writing and signed by all of the Benefiting Parties.

[signature pages follow]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the first date written above.

DECLARANT

Huron Property Owner, LLC, a Delaware limited liability company

By: Huron Property JV, LLC, its Manager

By: R2 Huron Sponsor, LLC, its Manager

By:______________________
Name: Matthew G. Garrison
Title: Manager

STATE OF ILLINOIS)
)
COUNTY OF COOK)

This instrument was acknowledged before me on _____________ ___, 20__ by Matthew G. Garrison, as the Manager of R2 Huron Sponsor, LLC, as the Manager of Huron Property JV, LLC, as the Manager of Huron Property Owner, LLC, a Delaware limited liability company.

____
NOTARY PUBLIC

My Commission Expires:_______________

(SEAL)

IN WITNESS WHEREOF, R2 Capital, LLC, an Illinois limited liability company, has joined this Declaration for the sole purpose of acknowledging and agreeing that it is one of the Benefiting Parties.

R2 Capital, LLC, an Illinois limited liability company

By:________________________________
Name: Matthew G. Garrison
Title: Manager

STATE OF ILLINOIS)
)
COUNTY OF COOK)

This instrument was acknowledged before me on ____________ ___, 20__ by Matthew G. Garrison, as the Manager of R2 Capital, LLC.

____
NOTARY PUBLIC

My Commission Expires:____________

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION

LOT 13 IN HURON PLAZA, A RESUBDIVISION IN BLOCK 47 IN KINZIE'S ADDITION TO CHICAGO IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 13, 1981 AS DOCUMENT 25869229 AND FILED AS DOCUMENT LR 3214963, IN COOK COUNTY, ILLINOIS.

Address(es):	50 E. Huron Street, Chicago, Illinois 60611
PIN(s):	17-10-104-031-0000

ASSIGNMENT AGREEMENT

This Assignment Agreement (the "Assignment Agreement") is made and entered into as of May 14, 2020 by and between EDEN SERVICES, INC., an Illinois corporation ("Assignor") and 50 Huron Properties, LLC, an Illinois Limited Liability Company ("BUYER ASSIGNEE").

WHEREAS, Assignor is a party to that certain Purchase Agreement dated as of May 6, 2020 (the "Purchase Agreement"), with SELLER Huron Property Owner, LLC, a Delaware limited liability company; and

WHEREAS, pursuant to the Purchase Agreement, Assignor has agreed to assign certain rights and agreements to BUYER ASSIGNEE, and BUYER ASSIGNEE has agreed to assume certain obligations of Assignor, as set forth therein;

NOW THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for the other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings for such terms that are set forth in the Purchase Agreement.

2. Assignment. Assignor hereby assigns, sells, transfers and sets over (collectively, the "Assignment") to BUYER ASSIGNEE all of the duties, obligations, terms, provisions and covenants of the Purchase Agreement. BUYER ASSIGNEE hereby accepts the Assignment and assumes and agrees to observe and perform all of the duties, obligations, terms, provisions and covenants of the Purchase Agreement.

3. Terms of the Purchase Agreement. Assignor acknowledges and agrees that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Further Actions. Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment Agreement.

5. Consent to Assignment. This Assignment Agreement shall not constitute an assignment of any claim, contract, permit, franchise, or license if the attempted assignment thereof, without the consent of the other party thereto, would constitute a breach of such claim, contract, permit, franchise, or license or in any way adversely affect the rights of Assignor thereunder. If such consent is not obtained, or if any attempted assignment thereof would be ineffective or would adversely affect the rights of Assignor thereunder so that Assignee would not in fact receive all such rights, then Assignee may act as the attorney-in-fact of Assignor in order to obtain for Assignee the benefits thereunder.

6. No Additional Remedies. Nothing in this instrument, express or implied, is intended or shall be construed to confer upon, or give to, any person, firm or corporation other than Assignee and its successors and assigns, any remedy or claim under or by reason of this instrument or any terms, covenants or conditions hereof, and all the terms, covenants and conditions, promises and agreements contained in this instrument shall be for the sole and exclusive benefit of Assignee and its successors and assigns.

7. Governing Law. This Assignment and Assumption Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Illinois.

8. Counterparts. This Assignment and Assumption Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

ASSIGNOR

Eden Services, Inc.

By: ____________________

Name: Michael Hamblet

Title: President

BUYER ASSIGNEE

50 Huron Properties, LLC

By: ____________________

Name: Michael Hamblet

Title: Manager

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

A Certificate of Good Standing for the operator Restorative Care Institute, LLC is attached at Attachment – 3.

Persons owning a 5% or greater ownership interest in Restorative Care Institute, LLC and 50 Huron Properties, LLC are listed below:

Name	Address	City	Entity	Interest
Michael J. Hamblet, Jr.	1100 Jorie Boulevard, Suite 115	Oak Brook	Restorative Care Institute, LLC	100%
Michael J. Hamblet, Jr.	1100 Jorie Boulevard, Suite 115	Oak Brook	50 Huron Properties, LLC	100%

File Number 0869130-4

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

RESTORATIVE CARE INSTITUTE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 14, 2020, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 4TH *day of* JUNE *A.D.* 2020 .

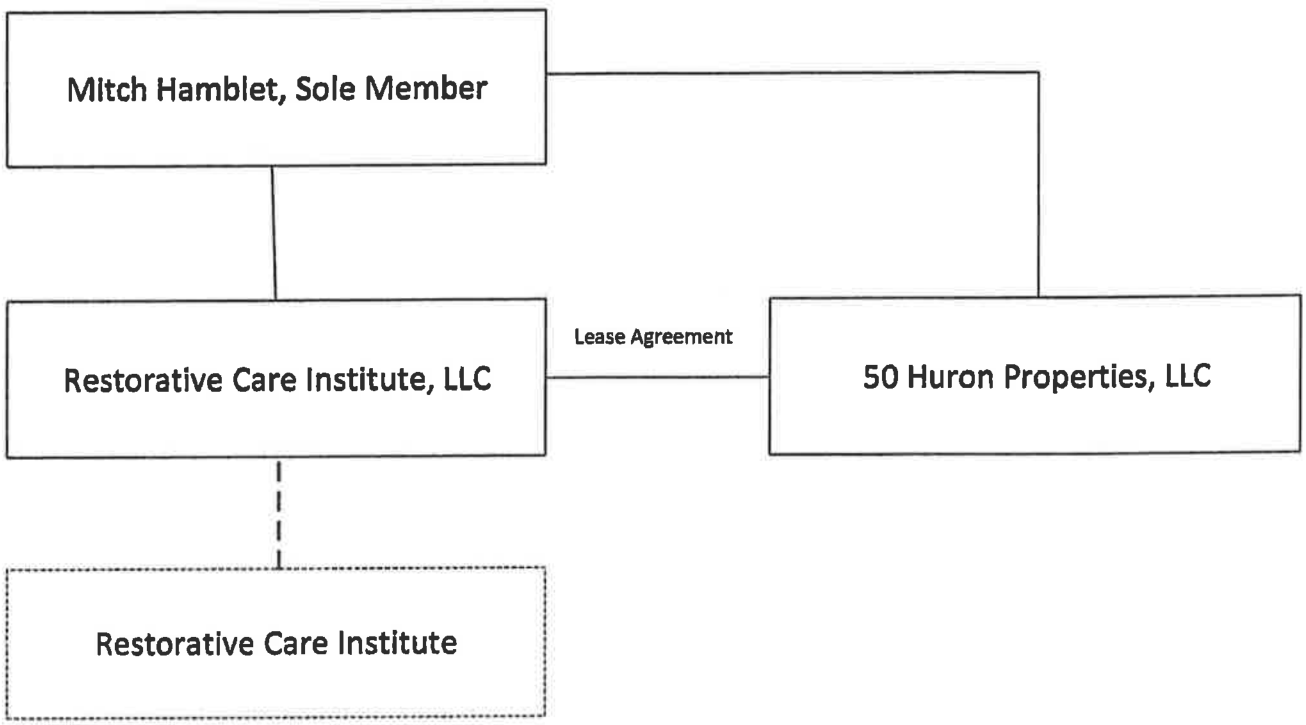
Authentication #: 2015603088 verifiable until 06/04/2021
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for the Restorative Care Institute, LLC is attached at Attachment – 4.

ORGANIZATIONAL STRUCTURE

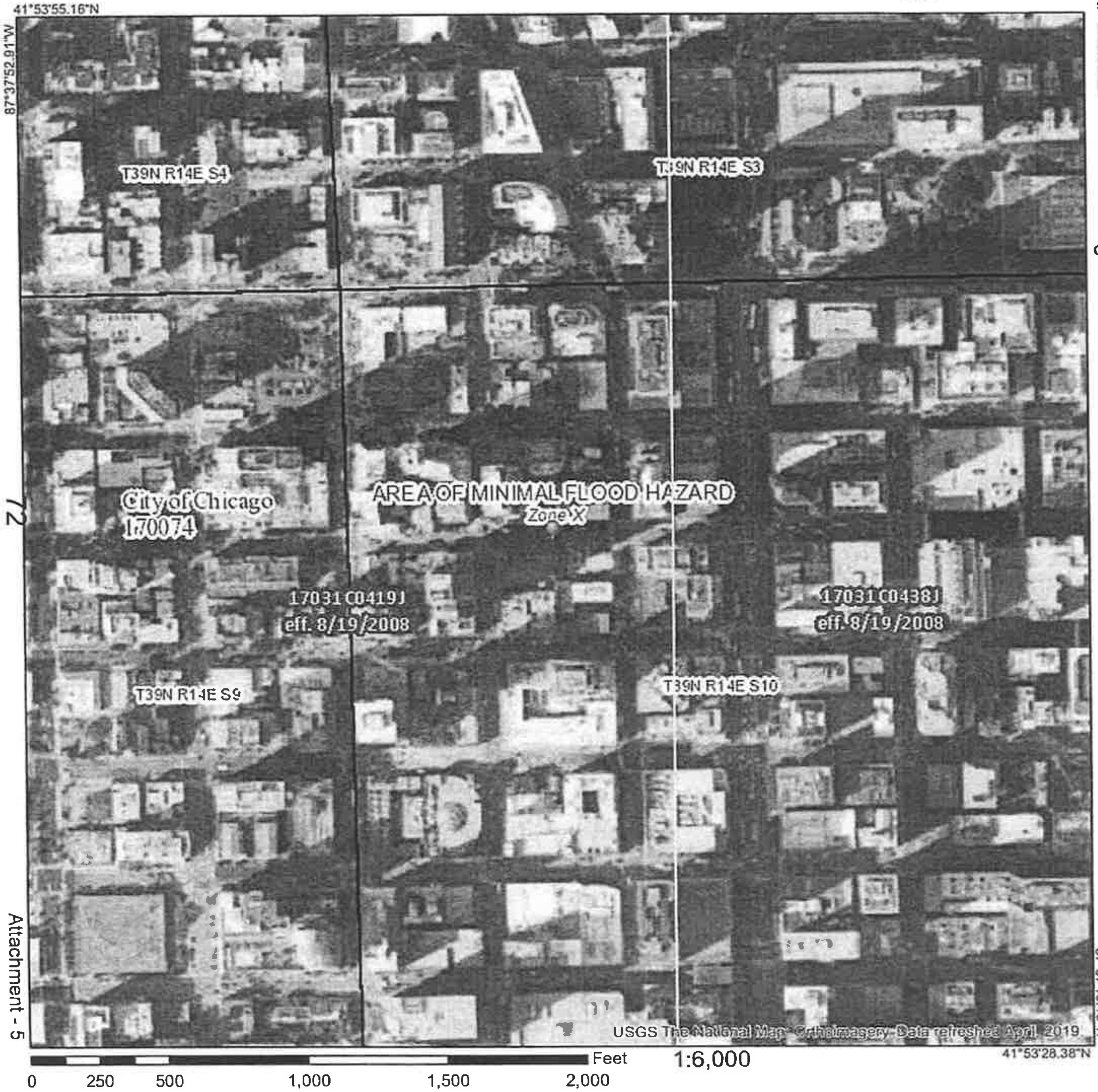


Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed SNF complies with the requirements of the Illinois Executive Order #2005-5. Restorative Care Institute will be located at 50 East Huron Street, Chicago, IL 60611. As shown on the FEMA flood plan map attached at Attachment – 5, the site of the proposed skilled nursing facility is located in an area of minimal flood hazard.

National Flood Hazard Layer FIRMette

FEMA



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Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99
	With BFE or Depth Zone AE, AO, AH, VE, AR
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes. Zone X
	Area with Flood Risk due to Levee Zone D
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Zone X
	Effective LOMRs
	Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	20.2 / 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	513 Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

N

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/4/2020 at 6:02:24 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

#20-033

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicants submitted a request for determination that the proposed location is compliant with the Historic Resources Preservation Act from the Illinois History Preservation Agency. A copy of the letter is attached at Attachment – 6.

POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

May 14, 2020

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express

Robert F. Appleman
Deputy State Historic Preservation. Officer
Illinois Department of National Resources
Illinois State Historic Preservation
One Natural Resources Way
Springfield, IL 62702

Re: Historic Preservation Act Determination
Restorative Care Institute

Dear Mr. Appleman:

This office represents Restorative Care Institute, LLC and 50 Huron Properties, LLC (the "Requestors"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Requestors seek a formal determination from the Illinois Historic Preservation Agency as to whether Requestors' proposed project to establish a 92 bed skilled nursing facility located at 50 East Huron Chicago, IL 60611 ("Proposed Project") affects historic resources.

1. Project Description and Address

The Requestors are seeking a certificate of need from the Illinois Health Facilities and Services Review Board to modernize an existing building to a skilled nursing facility. This project will involve removal of the exterior of the building, retaining only the building shell, and the addition of six floors.

2. Topographical or Metropolitan Map

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

3. Historic Architectural Resources Geographic Information System

A map from the Historic Architectural Resources Geographic Information System is attached at Attachment 2. The property is not listed on the (i) National Register, (ii) within a local historic district, or (iii) within a local landmark.

4. Photographs of Standing Buildings/Structure

Photographs of the site of the proposed facility are attached at Attachment 3.

5. Addresses for Buildings/Structures

The Proposed Project is located at 50 East Huron Street, Chicago, IL 60611.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

Sincerely,

Anne M Cooper

Anne M. Cooper

Attachments

ATTACHMENT 1

#20-033

Google Maps **50 E Huron St**

Attachment - 6

ATTACHMENT 2

Attachment - 6

ATTACHMENT 3

Google Maps **46 E Huron St**

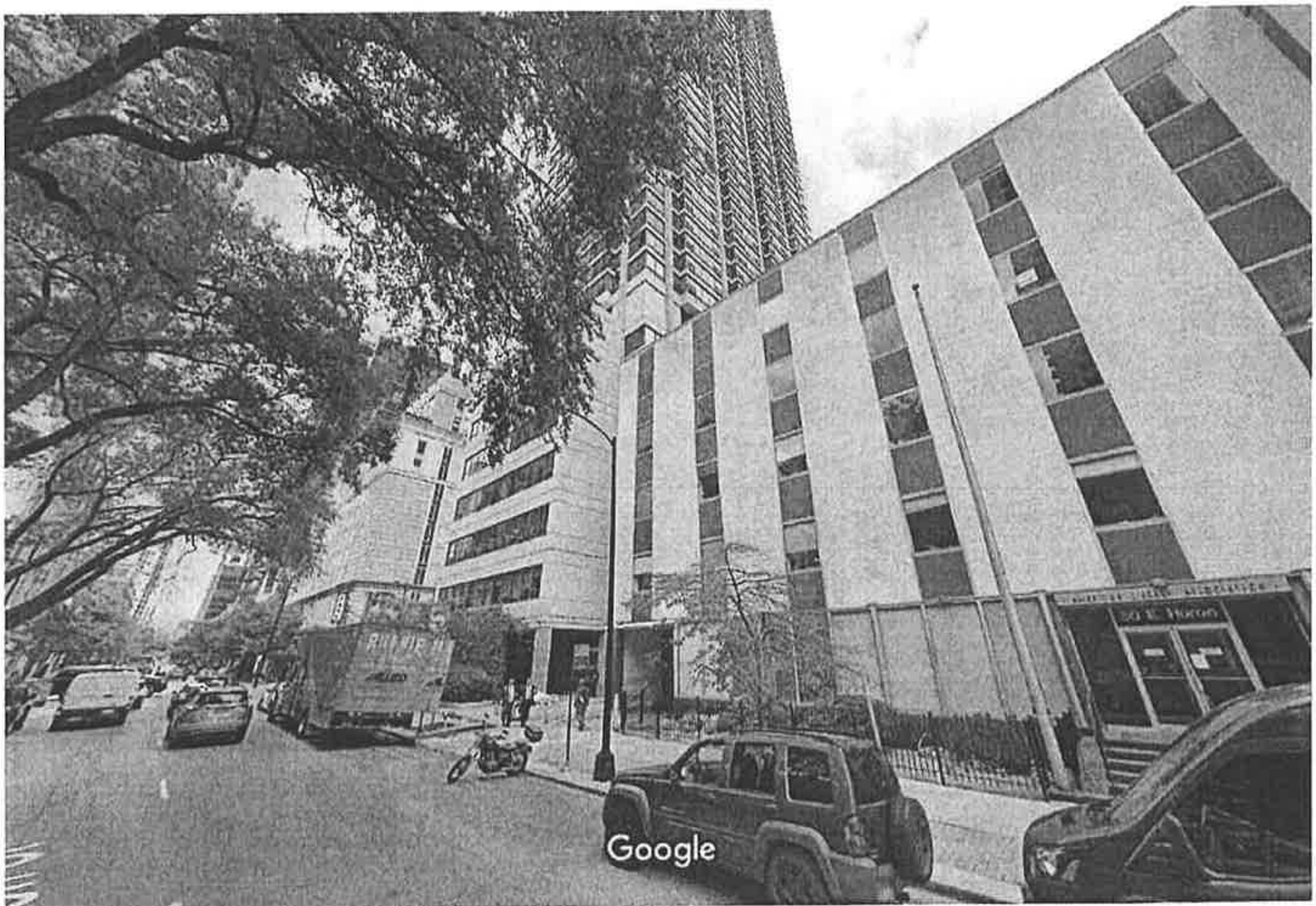


Image capture: Aug 2019 © 2020 Google

Chicago, Illinois

Google

Street View

5/6/2020

Google Maps

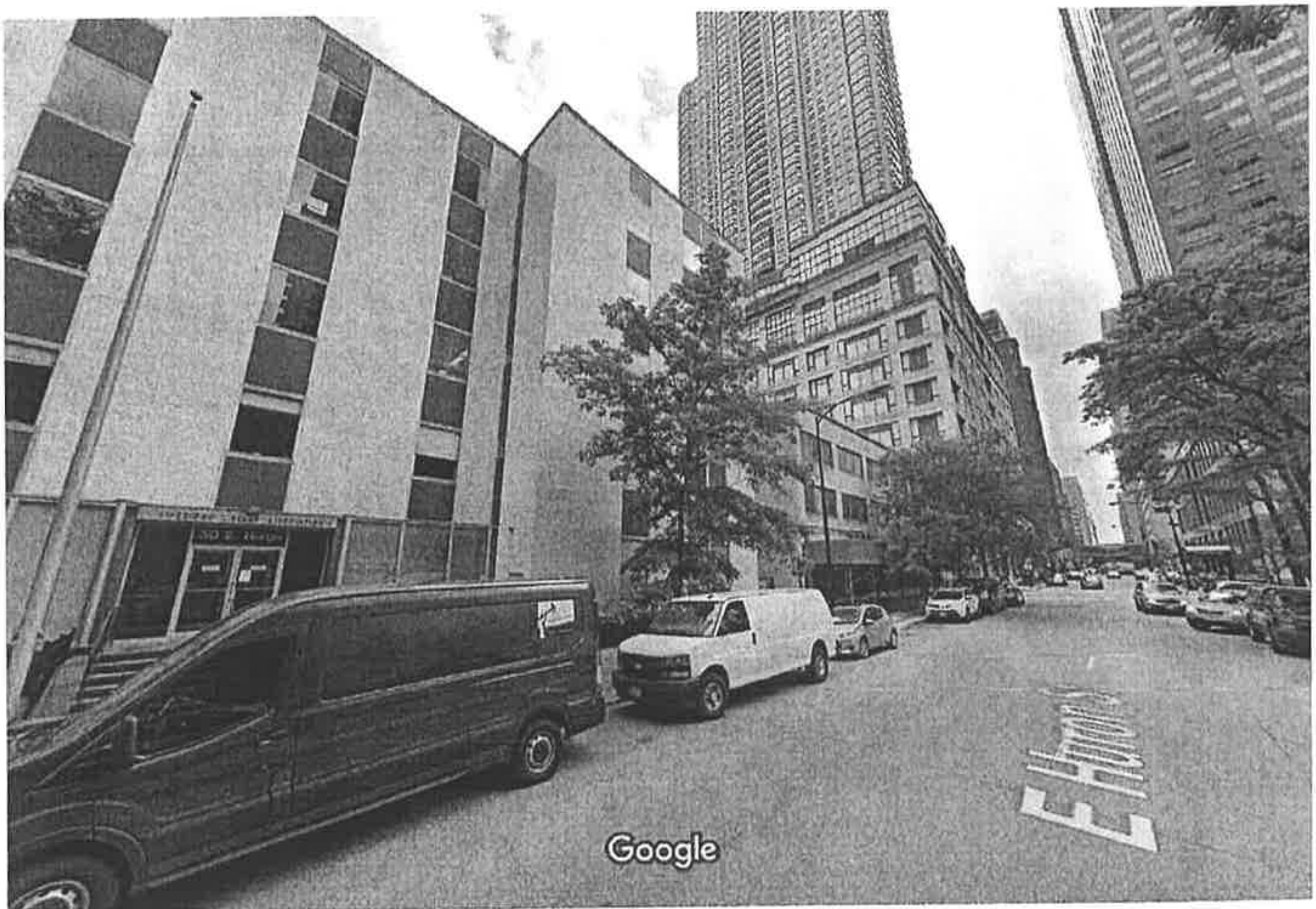


Image capture: Aug 2019 © 2020 Google

Chicago, Illinois

Google

Street View

Section II, Purpose of Project, and Alternatives – Information Requirements
Criterion 1125.320, Purpose of Project

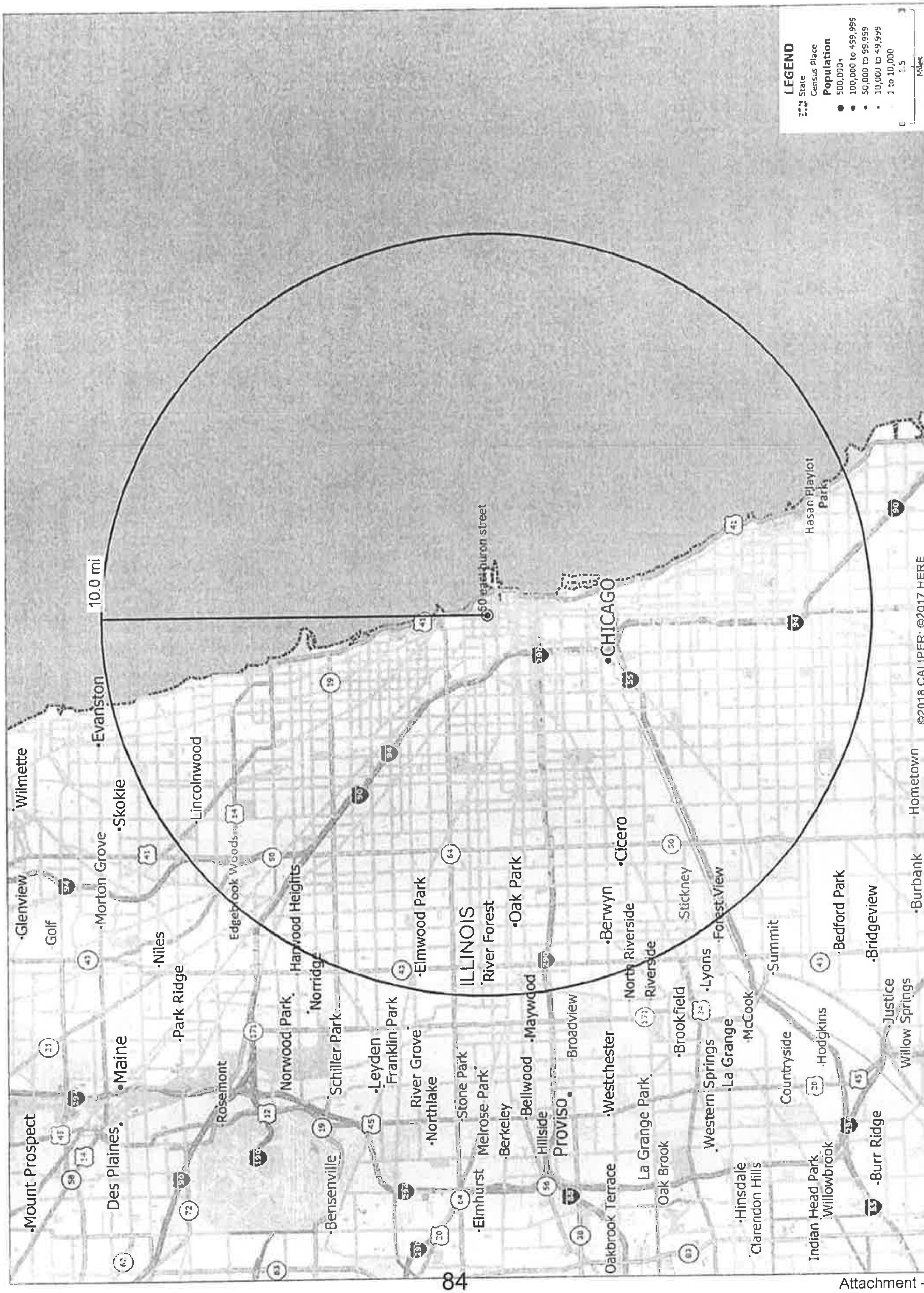
Purpose of the Project

1. There is currently a need for 207 skilled nursing beds in Planning Area 6-B, and the proposed 98 bed skilled nursing facility will address that need as well as improve access to modern and high quality skilled nursing services. The proposed Restorative Care Institute will deliver higher levels of infection control while specializing in rehabilitation and wound care through collaboration and innovation within the healthcare community. Further, it will enhance patient outcomes through improved physical plant design and infection prevention systems while increasing staff protocols, thus resulting in better outcomes, lower chance of subsequent infection related care. Importantly, there has been very limited development of skilled nursing facilities in the City of Chicago in nearly 40 years, and no skilled nursing facility that provides the level of care proposed at the Restorative Care Institute. In fact, The Terraces at the Clare, Mercy Circle, and The Admiral at the Lake are the only new skilled nursing facilities approved in the City of Chicago within the last 40 years, and all are continuing care retirement communities that primarily serve residents of their own communities.

   Currently, there are 82 skilled nursing facilities within the Restorative Care Center 10-mile geographic service area, none of these facilities provide the same level of post-acute care and have capacity to accommodate the projected demand for post-acute care. Restorative Care Institute will primarily serve post-acute patients, including ventilator dependent patients, and will provide state of the art infection control and wound care. Two facilities (Alden Village North and McAuley Residence) are for the developmentally disabled and do not admit post-acute patients. Three facilities, Warren Barr South Loop, Winston Manor and Convalescent & Nursing, and Generations at Elmwood Park, serve large numbers of residents diagnosed with mental illness. While the State Board does not distinguish facilities that specialize in treating residents with mental illness from other skilled nursing facilities, many of the residents in these facilities are under 65 and have criminal records. These facilities may not be an appropriate setting for treating post-acute and elderly residents who are often frail and suffer multiple co-morbidities. Further, five facilities (Terraces at the Clare, Admiral at the Lake, St. Paul's House & Health Care Center, St. Joseph Village of Chicago, and Montgomery Place) are continuing care retirement communities and primarily serve residents of their own campuses. Of the remaining 72 skilled nursing facilities, only 5 facilities admit ventilator-dependent patients. Of those facilities, Parkshore Estates Nursing & Rehab does not admit patients with infectious disease; Carlton at the Lake, Woodbridge Nursing Pavilion, Alden Lakeland, GlenCrest HealthCare and Rehab Center are highly utilized and cannot accommodate the projected referrals to the Restorative Care Institute. Accordingly, there are no skilled nursing facilities within the Restorative Care institute geographic service area that have capacity or can provide the same level of post-acute care to residents living on the Near North Side of Chicago.

2. A map of the market area for Restorative Care Institute is attached at Attachment – 10A. The market area encompasses a 10-mile radius around the Nursing Home. The boundaries of the market area of are as follows:

   - North 1.7 miles to Lake Michigan
   - Northwest 10 miles to Lincolnwood, IL
   - West 10 miles to Lake Forest, IL
   - Southwest 10 Miles to Summit, IL
   - South 10 Miles to Evergreen Park, IL
   - Southeast 3.0 miles to Lake Michigan
   - East 1.7 miles to Lake Michigan
   - Northeast 1.0 miles to Lake Michigan


LEGEND
State
Census Place
Population
500,000+
100,000 to 499,999
50,000 to 99,999
10,000 to 49,999
1 to 10,000
10.0 mi
50 east huron street
CHICAGO
ILLINOIS
Evanston
Wilmette
Skokie
Lincolnwood
Glenview
Golf
Morton Grove
Niles
Park Ridge
Des Plaines
Mount Prospect
Maine
Rosemont
Norwood Park
Norridge
Harwood Heights
Edgebrook Woods
Elmwood Park
Schiller Park
Bensenville
Leyden
Franklin Park
River Grove
Northlake
Stone Park
Melrose Park
Elmhurst
Berkeley
Bellwood
Hillside
Proviso
Maywood
Broadview
River Forest
Oak Park
Berwyn
Cicero
North Riverside
Riverside
Westchester
La Grange Park
Oakbrook Terrace
Oak Brook
Brookfield
Lyons
Stickney
Forest View
Western Springs
La Grange
McCook
Summit
Countryside
Hodgkins
Hinsdale
Clarendon Hills
Bedford Park
Bridgeview
Justice
Willow Springs
Indian Head Park
Willowbrook
Burr Ridge
Burbank
Hometown
Hasan Playlot Park
©2018 CALIPER; ©2017 HERE

Section II, Purpose of Project, and Alternatives – Information Requirements
Criterion 1125.330, Alternatives

Alternatives

1. Do Nothing

   The Applicants considered the option to do nothing. There is currently a need for 207 skilled nursing beds in Planning Area 6-B, and the proposed 98 bed skilled nursing facility will address that need as well as improve access to modern and high quality skilled nursing services. As discussed more fully in Section 1125.320, none of the 82 skilled nursing facilities within Restorative Care Center's geographic service area provides the same level of care or has the capacity to accommodate the projected need for post-acute care services. The proposed Restorative Care Institute will deliver higher levels of infection control while specializing in rehabilitation and wound care through collaboration and innovation within the healthcare community. Further, it will enhance patient outcomes through improved physical plant design and infection prevention systems while increasing staff protocols, thus resulting in better outcomes, lower chance of subsequent infection related care.

   Further, there has been very limited development of skilled nursing facilities in the City of Chicago in nearly 40 years, and no skilled nursing facility that provides the level of care proposed at the Restorative Care Institute. In fact, The Terraces at the Clare, Mercy Circle, and The Admiral at the Lake are the only new skilled nursing facilities approved in the City of Chicago within the last 40 years, and all are continuing care retirement communities that primarily serve residents of their own communities.

   Given the need for skilled nursing beds and the lack of state of the art post-acute care on the Near North Side of Chicago, the Applicants rejected the option of doing nothing.

   There is no capital cost with the option.

2. Purchase an Existing Facility

   This option was rejected because there are no facilities currently offered for sale in Chicago – River North area.

3. Expand an Existing Facility

   This option was rejected because the applicant does not currently own a facility in the market area.

4. Establish a Skilled Nursing

   The final option, to establish a skilled nursing facility on the Near North Side of Chicago was chosen. As noted throughout this application, there is a need for 207 skilled nursing beds in Planning Area 6-B, and this project will address that need. Further, this will be the first skilled nursing facility approved in the City of Chicago in over 10 years. The proposed skilled nursing facility will be an eight-story building consisting 81,300 gross square feet. The facility will contain mostly all private skilled nursing rooms. The total project cost will be $34,604,766. The purpose of this project is to improve patient safety and outcomes by developing innovative protocols in infection control, designing inherit safety systems to prevent communicable disease and supporting collaboration and innovation in the medical community by establishing performance metrics and health indicators to quantify outcomes.

   The guiding principles for Restorative Care Institute are:

- Individual and community health should be measured as a sum total of the mental, physical and spiritual well-being.
- Core elements to healthy recovery include innovative system design, access to qualified healthcare professionals and a willingness to integrate the two.
- Placing the patient's overall recovery above that of all other.
- A commitment on attracting the most qualified healthcare providers and support through continued education and standard of excellence.
- Stimulate collaborative conversation around infection control systems and share outcomes with the state and other skilled providers.

The cost of this option is $34,604,766

Section IV, Service Specific Review Criteria
Criterion 1125.520 Background of the Applicant

Background of the Applicant

1. Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") have taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare and Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by Applicants, directly or indirectly within 3 years preceding the filing of this application.

2. The Applicants have not previously owned or operated any health care facilities. Accordingly, this criterion is not applicable.

3. An authorization permitting the State Board and IDPH access to any documents necessary to verify information submitted, including but not limited to: official records of IDPH or State agencies and the records of nationally recognized accreditation organizations is attached at Attachment – 12.

4. The Applicants have not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

May 14, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by Restorative Care Institute LLC or Huron Properties LLC in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1125.520(c), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Michael J. Hamblet, Jr.
Manager
Restorative Care Institute, LLC
50 Huron Properties, LLC

Subscribed and sworn to me
This ___ day of _____________, 2020

____
Notary Public

73581621.1

Section IV, Service Specific Review Criteria
Criterion 1125.530 – Planning Area Need

1. The proposed project is for the establishment of a 98 bed skilled nursing facility to be located at 50 East Huron Street, Chicago, Illinois 60611 (Planning Area 6-B). Planning Area 6-B has a need for 207 skilled nursing beds. The proposed Restorative Care Institute conforms with the projected need as reflected in the May 1, 2020 update to the HFSRB inventory.

2. The Applicants anticipate at 360 referrals will be made to the proposed Restorative Care Institute. Assuming a 90-day average length of stay, the Applicants project the Restorative Care Institute will exceed 90% utilization by the second year after project completion.

3. The proposed Restorative Care institute will provide necessary long-term care services to residents living on the Near North Side of Chicago.

Section IV, Service Specific Review Criteria
Criterion 1125.540 – Service Demand – Establishment of General Long Term Care

The Applicants propose to establish a 98 bed skilled nursing facility to be located at 50 East Huron Street, Chicago, Illinois. To justify the 98 skilled nursing beds operating at State Board's 90 percent utilization standard, the Applicants would need 32,193 resident days. Assuming an average length of stay of 90 days, this amounts at least 358 referrals. As shown in Table 1125.540, the Applicants project 360 referrals during the first two years after project completion.

Section IV, Service Specific Review Criteria
Criterion 1125.570 – Service Accessibility

The purpose of this project is to ensure residents on the Near North Side of Chicago have access to skilled nursing and post-acute care. There is currently a need for 207 skilled nursing beds in the 6-B Planning Area where the proposed skilled nursing facility will be located. The proposed Restorative Care Center will address this need by adding 98 skilled nursing beds to 6-B Planning Area.

While there are 82 skilled nursing facilities within the Restorative Care Center geographic service area, none of these facilities provide the same level of post-acute care and capacity to accommodate the projected demand for post-acute care. As discussed more fully in Section 1125.320, Restorative Care Institute will primarily serve post-acute patients, including ventilator dependent patients, and will provide state of the art infection control and wound care. Of the 82 skilled nursing facilities, two facilities (Alden Village North and McAuley Residence) are for the developmentally disabled and do not admit post-acute patients. Five facilities (Terraces at the Clare, Admiral at the Lake, St. Paul's House & Health Care Center, St. Joseph Village of Chicago, and Montgomery Place are continuing care retirement communities and primarily serve residents of their own campuses. Of the remaining 75 skilled nursing facilities, only 8 facilities admit ventilator-dependent patients. Of those facilities, Parkshore Estates Nursing & Rehab does not admit patients with infectious disease; Warren Barr South Loop, Winston Manor and Convalescent & Nursing, and Generations at Elmwood Park serve large numbers of residents diagnosed with mental illness; Carlton at the Lake, Woodbridge Nursing Pavilion, Alden Lakeland, GlenCrest HealthCare and Rehab Center are highly utilized and cannot accommodate the projected referrals to the Restorative Care Institute. Accordingly, there are no skilled nursing facilities within the Restorative Care institute geographic service area that can provide the same level of post-acute care proposed by the Applicants.

Section IV, Service Specific Review Criteria
Criterion 1125.580 – Unnecessary Duplication/Maldistribution

1. **Unnecessary Duplication**

a. The proposed skilled nursing facility will be located at 50 East Huron Street, Chicago, IL 60611. A map of the proposed facility's market area is attached at Attachment – 18. A list of zip codes located, in or in part, within a 10-mile radius of the site of the proposed nursing facility as well as the 2018 U.S. Census Bureau estimates for each zip code is provided in Table 1125.580(a)(1).

Table 1125.580(a)(1) Population of Zip Codes within a 10 Mile Geographic Service Area		
Zip Code	**City**	**Population**
60629	Chicago	111,850
60402	Berwyn	63,554
60304	Oak Park	17641
60804	Cicero	83,146
60130	Forest Park	14,041
60305	River Forest	11,064
60302	Oak Park	32,048
60301	Oak Park	2536
60707	Elmwood Park	43,019
60639	Chicago	90,517
60624	Chicago	36,158
60632	Chicago	91,039
60623	Chicago	85,979
60612	Chicago	34,311
60644	Chicago	47,712
60651	Chicago	63,218
60618	Chicago	94,395
60647	Chicago	87,509
60636	Chicago	32,203
60621	Chicago	29,042
60609	Chicago	61,495
60619	Chicago	61,258
60637	Chicago	47,454
60653	Chicago	31,972
60615	Chicago	41,563
60608	Chicago	79,205
60616	Chicago	54,464
60606	Chicago	3,101
60605	Chicago	27,519
60622	Chicago	52,793
60642	Chicago	20,201
60614	Chicago	71,308
60607	Chicago	29,591
60661	Chicago	9,926
60601	Chicago	14,675
60654	Chicago	19,135
60604	Chicago	782
60602	Chicago	1,244
60610	Chicago	39,019
60657	Chicago	70,052

Table 1125.580(a)(1) Population of Zip Codes within a 10 Mile Geographic Service Area		
60603	Chicago	1,174
60611	Chicago	32,426
60634	Chicago	75,995
60641	Chicago	71,023
60630	Chicago	57,344
60712	Lincolnwood	12,539
60625	Chicago	79,243
60659	Chicago	41,068
60645	Chicago	47,732
60202	Evanston	32,861
60613	Chicago	50,113
60626	Chicago	49,730
60640	Chicago	69,715
60660	Chicago	43,242
TOTAL		**2,446,525**

Source: U.S. Census Bureau, Data Census 2018 ASC 5-Year Estimates Data Profiles available at https://data.census.gov/cedsci/table?g=8600000US60456&tid=ACSDP5Y2018.DP05

b. The names and locations of all existing or approved long-term care facilities within 10 miles of the proposed Restorative Care Institute in provided in Table 1125.580(a)(3).

Table 1125.580(a)(3) Long-Term Care Facilities within 10 Miles Geographic Service Area			
Facility Name	**Address**	**City**	**Straight-Line Distance (Miles)**
Terraces At The Clare	55 East Pearson Street	Chicago	0.2
Warren Barr Pavilion*	66 West Oak Street	Chicago	0.3
Christian Buehler Memorial Home	3415 North Sheridan Road	Chicago	1.2
Symphony of Lincoln Park	1366 West Fullerton Avenue	Chicago	2.2
Lakeview Rehab & Nursing Center	735 West Diversey	Chicago	2.4
Warren Barr Lincoln Park	2732 North Hampden Court	Chicago	2.6
Southview Manor Nursing Center	3311 South Michigan	Chicago	2.6
Little Sisters Of The Poor	2325 North Lakewood Avenue	Chicago	2.7
Warren Barr South Loop	1725 South Wabash	Chicago	2.9
Alden Lincoln Rehabilitation & Healthcare	504 West Wellington Avenue	Chicago	3.2
Amita Saint Joseph Hospital Skilled Unit	2900 North Lake Shore Drive	Chicago	3.2
Presence Saints Mary & Elizabeth Med Ct	1431 North Claremont Avenue	Chicago	3.3
Carlton At The Lake, The	725 West Montrose Avenue	Chicago	3.4
Symphony of Bronzeville	3400 South Indiana	Chicago	3.5
Center Home for Hispanic Elderly	1401 South California Blvd	Chicago	3.7
Winston Manor Convalescent & Nursing Home	2155 West Pierce	Chicago	3.8
Kensington Place Nursing & Rehabilitation	3405 S. Michigan Avenue	Chicago	3.9
Woodbridge Nursing Pavilion	2242 North Kedzie	Chicago	4.7
California Gardens Nursing & Rehab Center	2829 South California Blvd	Chicago	4.7

Table 1125.580(a)(3) Long-Term Care Facilities within 10 Miles Geographic Service Area			
Facility Name	**Address**	**City**	**Straight-Line Distance (Miles)**
Admiral At The Lake	933 West Foster Avenue	Chicago	4.8
St Paul's House & Health Center	3800 North California Avenue	Chicago	5.2
All American Nursing Home	5448 North Broadway Street	Chicago	5.2
Little Village Nursing and Rehabilitation Center	2320 S. Lawndale Avenue	Chicago	5.4
Uptown Health Center	4920 North Kenmore Avenue	Chicago	5.4
Aperion Care International	4815 South Western Avenue	Chicago	5.5
MADO Uptown	4621 North Racine Avenue	Chicago	5.6
Wesley Place	1415 West Foster Avenue	Chicago	5.8
Harmony Nursing & Rehab Center	3919 West Foster Avenue	Chicago	5.8
Beacon Health Center	4538 North Beacon	Chicago	5.9
The Estates of Hyde Park	4505 South Drexel Blvd	Chicago	5.9
Foster Health & Rehab Center	2840 West Foster Avenue	Chicago	6.0
Ambassador Nursing & Rehab Center	4900 N. Bernard	Chicago	6.0
Alden Lakeland Healthcare & Rehab	820 West Lawrence	Chicago	6.2
Swedish Covenant Hospital	5145 North California	Chicago	6.2
Austin Oasis	901 South Austin	Chicago	6.3
Balmoral Home	2055 West Balmoral Avenue	Chicago	6.4
Continental Nursing & Rehab Center	5336 North Western Avenue	Chicago	6.5
Astoria Place Living & Rehab	6300 N. California	Chicago	6.6
Elston Nursing & Rehab Centre	4340 North Keystone Avenue	Chicago	6.7
Symphony of Chicago West	5130 West Jackson Boulevard	Chicago	6.7
Symphony at Midway	4437 South Cicero	Chicago	6.7
Cityview Multicare Center	5825 West Cermak Road	Cicero	6.8
Mayfield Care Center	5905 West Washington	Chicago	7.1
St Joseph Village Of Chicago	4021 West Belmont Avenue	Chicago	7.1
Fairmont Care Centre	5061 North Pulaski Road	Chicago	7.2
Montgomery Place	5550 South Shore Drive	Chicago	7.2
Park View Rehab Center	5888 North Ridge	Chicago	7.3
Sheridan Shores Cr & Rehab Center	5838 North Sheridan Road	Chicago	7.3
McAuley Residence	2060 W. Granville	Chicago	7.4
Central Nursing & Rehab Center	2450 North Central Avenue	Chicago	7.5
Arbour Health Care Center	1512 West Fargo	Chicago	7.5
Chalet Living & Rehab Center	7350 North Sheridan Rd	Chicago	7.8
Buckingham Pavilion	2625 West Touhy Avenue	Chicago	7.9
Ridgeview Rehab & Nursing Center	6450 North Ridge Blvd	Chicago	7.9
West Suburban Medical Center	3 Erie Court	Oak Park	8.1
Berkeley Nursing & Rehab Center	6909 West North Avenue	Oak Park	8.3

Table 1125.580(a)(3) Long-Term Care Facilities within 10 Miles Geographic Service Area			
Facility Name	Address	City	Straight-Line Distance (Miles)
Clark Manor Convalescent Center	7433 North Clark Street	Chicago	8.3
Princeton Rehabilitation & Health Care Center	255 West 69th Street	Chicago	8.4
Westwood Manor	2444 West Touhy Avenue	Chicago	8.4
Lakefront Nursing & Rehab Center	7618 North Sheridan Road	Chicago	8.5
Glencrest Healthcare & Rehab Center	2451 West Touhy Avenue	Chicago	8.7
Alden Village North	7464 N. Sheridan Rd	Chicago	8.7
Oak Park Oasis	625 North Harlem	Oak Park	8.7
Waterford Nursing & Rehab, The	7445 North Sheridan Road	Chicago	8.8
The Mosaic of Lakeshore	7200 North Sheridan Road	Chicago	8.8
Birchwood Plaza	1426 West Birchwood	Chicago	8.8
Warren Park Health & Living Center	6700 North Damen	Chicago	8.8
Parkshore Estates Nursing & Rehab	6125 South Kenwood	Chicago	8.8
Atrium Health Care Center	1425 West Estes Avenue	Chicago	8.9
Alden Town Manor Rehab & Healthcare Center	6120 West Ogden	Cicero	9.0
Peterson Park Health Care Center	6141 North Pulaski Road	Chicago	9.1
Dobson Plaza Nursing & Rehab Center	120 Dodge Ave	Evanston	9.2
Rush Oak Park Hospital	520 S. Maple Ave.	Oak Park	9.2
Alden Estates Of Skokie	4626 Old Orchard Road	Skokie	9.4
Bethesda Rehab and Senior Care	2833 North Nordica Ave	Chicago	9.4
Wentworth Rehabilitation & Health Care Center	201 West 69th Street	Chicago	9.5
Community First Medical Center	5645 West Addison Street	Chicago	9.5
Villa At Windsor Park	2649 East 75th Street	Chicago	9.5
Mac Neal Memorial Hospital	3249 South Oak Park Avenue	Berwyn	9.5
Generations at Elmwood Park	7733 West Grand Avenue	Elmwood Park	9.6
Aperion Forest Park	8200 West Roosevelt Road	Forest Park	9.8
Pershing Gardens Healthcare Center	3900 S. Oak Park Ave	Stickney	9.9

2. **Maldistribution of Services**

The proposed Restorative Care Institute will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, beds, and services characterized by such factors as, but not limited to: (1) ratio of beds to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

a. Ratio of Stations to Population

As shown in Table 1125.580(b)(1), the ratio of skilled nursing beds to population is 76.5% of the State Average

Table 1125.580(b)(1) Ratio of Skilled Nursing Beds to Population				
	Population	Skilled Nursing Beds	Stations to Population	Standard Met
Restorative Care Institute GSA	2,446,525	13,702	1:179	Yes
Illinois	12,741,080	92,811	1:137	

b. Historic Utilization of Existing Facilities

The Applicants identified 82 skilled nursing facilities within the Restorative Care Institute geographic service area. As discussed more fully in Section 1125.320, Restorative Care Institute will primarily serve post-acute patients, including ventilator dependent patients, and will provide state of the art infection control and wound care. Of the 82 skilled nursing facilities, two facilities (Alden Village North and McAuley Residence) are for the developmentally disabled and do not admit post-acute patients. Five facilities (Terraces at the Clare, Admiral at the Lake, St. Paul's House & Health Care Center, St. Joseph Village of Chicago, and Montgomery Place are continuing care retirement communities and primarily serve residents of their own campuses. Of the remaining 75 skilled nursing facilities, only 8 facilities admit ventilator-dependent patients. Of those facilities, Parkshore Estates Nursing & Rehab does not admit patients with infectious disease; Warren Barr South Loop, Winston Manor and Convalescent & Nursing, and Generations at Elmwood Park serve large numbers of residents diagnosed with mental illness; Carlton at the Lake, Woodbridge Nursing Pavilion, Alden Lakeland, GlenCrest HealthCare and Rehab Center are highly utilized and cannot accommodate the projected referrals to the Restorative Care Institute. Accordingly, there are no skilled nursing facilities within the Restorative Care institute geographic service area that can provide the same level of post-acute care proposed by the Applicants.

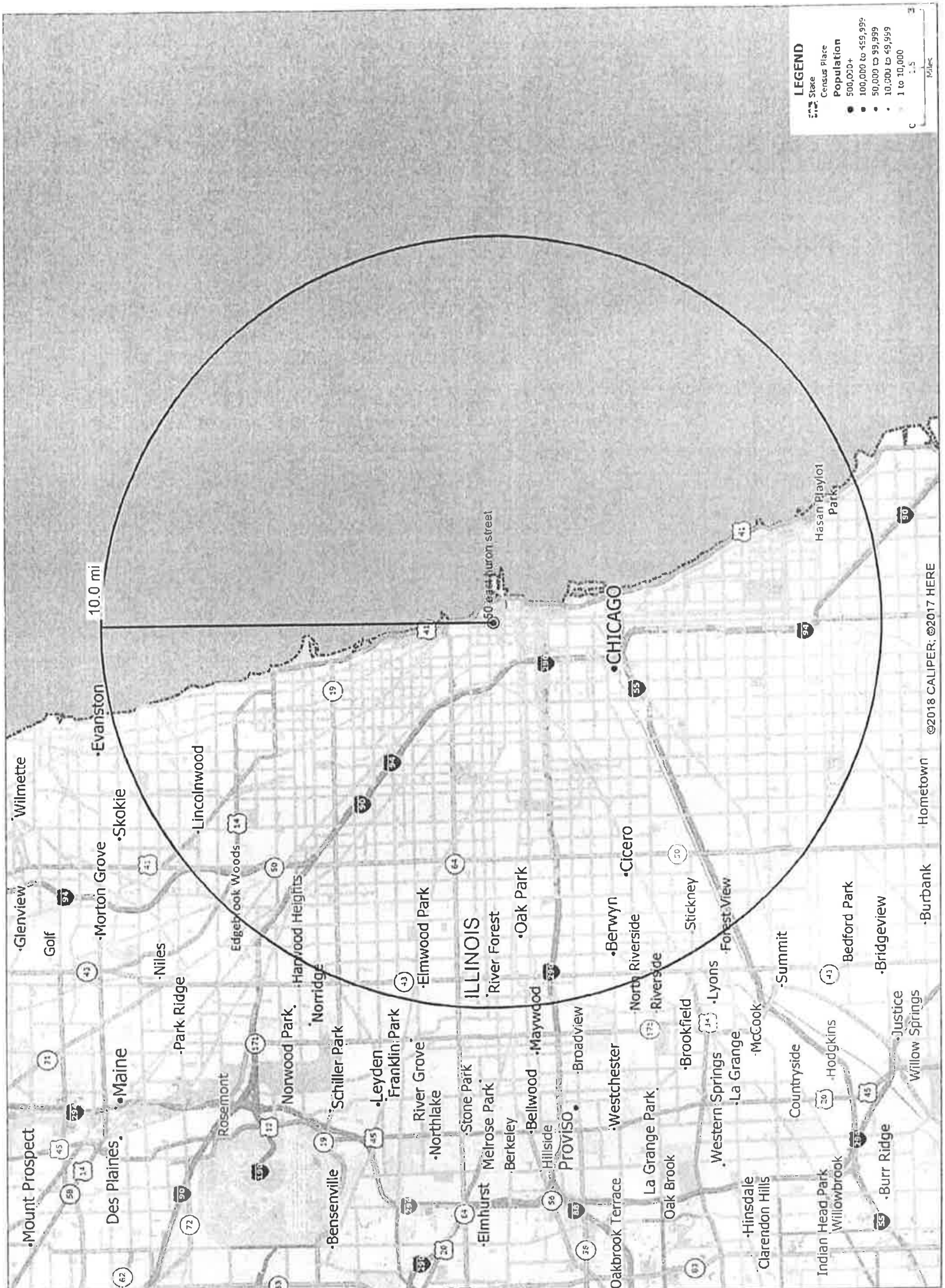
c. Sufficient Population to Achieve Target Utilization

The Applicants proposes to establish a skilled nursing home with 98 beds. To justify the 98 skilled nursing beds operating at the State Board's 90 percent utilization standard, the Applicants would need 32,193 resident days. Assuming an average length of stay of 90 days, this amounts at least 358 referrals. As shown in Table 1125.580(b)(3), the Applicants project 360 referrals during the first two years after project completion. Accordingly, there is sufficient population to provide the volume necessary to utilize the skilled nursing beds proposed by the project.

3. **Impact to Other Providers**

a. Restorative Care Institute will not have an adverse impact on existing skilled nursing facilities within the 10-mile geographic service area. As discussed in greater detail above, no skilled nursing facility has the capacity or can provide the services proposed at Restorative Care Institute.

b. Restorative Care Institute will not lower the utilization of other area skilled nursing facilities that are operating below the occupancy standards.



LEGEND
State
Census Place
Population
500,000+
100,000 to 499,999
50,000 to 99,999
10,000 to 49,999
1 to 10,000
Miles
10.0 mi
50 east huron street
CHICAGO
ILLINOIS
Evanston
Wilmette
Skokie
Lincolnwood
Glenview
Golf
Morton Grove
Niles
Park Ridge
Maine
Des Plaines
Mount Prospect
Rosemont
Norwood Park
Harwood Heights
Norridge
Schiller Park
Leyden
Franklin Park
Elmwood Park
River Grove
Northlake
Stone Park
Melrose Park
River Forest
Oak Park
Berkeley
Bellwood
Maywood
Hillside
Proviso
Broadview
Westchester
Berwyn
North Riverside
Riverside
Cicero
Stickney
Forest View
Brookfield
Lyons
La Grange Park
La Grange
Western Springs
McCook
Summit
Countryside
Hodgkins
Bedford Park
Bridgeview
Burbank
Hometown
Justice
Willow Springs
Burr Ridge
Willowbrook
Indian Head Park
Hinsdale
Clarendon Hills
Oak Brook
Oakbrook Terrace
Elmhurst
Bensenville
Edgebrook Woods
Hasan Playlot Park
©2018 CALIPER; ©2017 HERE

Section IV, Service Specific Review Criteria
Criterion 1125.590 – Staffing Availability

Restorative Care Institute will be staffed in accordance with all State and Medicare staffing requirements. The staffing plan for the first year after project completion is provided in Table 1125.590 below.

Eden Management, LLC, Restorative Care Institute's management company, employs a Human Resource Director who will oversee the hiring process at the facility. Table 1123.590 below provides a breakdown of the required staff positions based on skills needed, number of staff per patient, and position responsibilities. Job listings will be posted on recruiting websites and applications and resumes collected. Prior to the opening of the Restorative Care Institute, a team consisting of current management will interview, conduct background and drug screening, hire and train staff.

Table 1125.590
Staffing Plan

Title	FTEs
Administrator	1
Director of Nursing	1
Assistant Director of Nursing	1
Registered Nurse	6.67
Licensed Practical Nurse	3.83
Skin Care Nurse	.92
CNA 1st and 2nd Shift	11.02
CNA 3rd Shift	5.68
MDS Supervisor	1
MDS Staff	1
Central Supply Clerk	1
Nurse Liaison	1
Director of Admissions	1
Resident Services Director	1
Social Services	.50
Activity Director	1
Activity Aide	.88
Business Office Manager	1
Assistant Business Office Manager	.92
Human Resources	1
Staff Coordinator	.79
Exec Chef/Dietary Supervisor	1
Cook	1.83
Dietary Aids	3
Director of Maintenance	1
Maintenance Aide	.79
Housekeeping	3.13
Laundry	.83
Director Sales & Marketing	1
Director of Infection Prevention	1
Director of Hospitality Relations	1
Reception	4.20
TOTAL	**61.99**

Section VI, Section IV, Service Specific Review Criteria
Criterion 1125.600 – Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds. The Applicants propose to establish ninety-eight bed skilled nursing facility. Accordingly, this criterion is met.

Section IV, Section IV, Service Specific Review Criteria
Criterion 1125.610 – Community Related Functions

Attached at Attachment – 21 are letters from community groups supporting the establishment of the proposed Restorative Care Institute.

SENATOR SARA FEIGENHOLTZ
STATE OF ILLINOIS

M106 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217-557-0523

3223 N. SHEFFIELD AVE. SUITE A
CHICAGO, ILLINOIS 60657
773-296-4141

May 28, 2020

Debra Savage
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage,

I would like to express my support for the Restorative Care Institute application for a Certificate of Need at 50 East Huron Street, Chicago, IL 60611.

I believe that the Restorative Care Institute is very important to the Near North Side of Chicago. This project will not only provide important access to nursing care for our population where there is a current need, but it will also bring new jobs to Chicago.

Geographically, the location will be ideal for some of the residents who live in the Streeterville/Near North Side Chicago area. With excellent proximity to Chicago area hospitals, this project will offer much needed post-acute care to residents of Chicagoland area.

I urge the Illinois Health Facilities and Services Review Board to support this project. Thank you in advance for your favorable consideration.

Very truly yours,

Sara Feigenholtz

Sara Feigenholtz
State Senator
6th District

ILLINOIS HOUSE OF REPRESENTATIVES

SPRINGFIELD OFFICE:
290-S Stratton Building
Springfield, Illinois 62706
(217) 782-4535 (Office)

DISTRICT OFFICE:
5048 S. Indiana Ave
Chicago, Illinois 60615
(773) 924-4614 (Office)
(773) 924-4652 (Fax)

Lamont J. Robinson, Jr.
STATE REPRESENTATIVE
5th DISTRICT

COMMITTEES:

- Appropriations-Public Safety
- Financial Institutions
- House Transportation: Regulation, Roads & Bridges
- Insurance
- Local Retirement System Subcommittee
- Personnel & Pensions
- Prescription Drug Affordability

May 11, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

As a member of the Illinois House of Representatives representing the 5th District, I would like to express my support for the Restorative Care Institute's application for a Certificate of Need for a skilled nursing facility at 50 East Huron Street, Chicago, IL.

After hearing about its unique design and protocols, it is my opinion the Restorative Care Institute will provide a much needed service to the Near North Side of Chicago. This project will not only deliver important access to nursing care for our population, where there is a current need, but it will also bring new jobs to Chicago.

Geographically, the location is in close proximity to multiple hospitals and surgical centers and will be ideal for some of the residents who live in the Streeterville/Near North Side Chicago area. This project will offer much needed post-acute care to residents of the Chicagoland area.

I urge the Illinois Health Facilities and Services Review Board to support this project. Thank you in advance for your favorable consideration.

If I can answer any questions, please feel free to contact me via email, district5rep@lamontjrobinson.com, or call, 773-924-4614.

Sincerely,

Lamont J. R

Lamont J. Robinson
State Representative
District 5

Section IV, Service Specific Review Criteria
Criterion 1125.620 – Project Size

The Applicants propose to establish a 98 bed skilled nursing facility. Pursuant to Section 1125, Appendix A of the HFSRB's rules, the State standard is 435 - 713 gross square feet per bed for a total of 40,020 – 65,596 gross square feet for 98 skilled nursing beds. The total gross square footage of the clinical space of the proposed Restorative Care Institute is 40,541 of gross square feet (or 413.68 GSF per bed). Accordingly, the proposed skilled nursing facility meets the State standard per bed.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Nursing	40,541	40,020 – 65,596	N/A	Meets State Standard

Section IV, Service Specific Review Criteria
Criterion 1125.630 – Zoning

Attached at Attachment – 23 is the letter from the Applicants' attorney stating the Applicants have engaged the City of Chicago Department of Planning and Development to amend the planned use of Residential-Business Planned Development Number 173 to add a medical service use to the previously enumerated permitted uses.

ANDERSON & MOORE, P.C.
ATTORNEYS AT LAW
111 WEST WASHINGTON STREET, SUITE 1720
CHICAGO, ILLINOIS 60602

THOMAS S. MOORE
JANE F. ANDERSON

TELEPHONE (312) 251-1500
FACSIMILE (312) 251-1509

May 20, 2020

Debra Savage
Chair, Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certificate of Need, 50 East Huron Street

Dear Chair Savage:

I am an attorney licensed to practice law in Illinois. I served on the City of Chicago Zoning Board of Appeals in the 1990s and for the last twenty years I've specialized in land use and zoning. The applicant, Restorative Care Institute, LLC, has asked me to obtain the necessary zoning approvals for a skilled nursing facility at 50 East Huron Street, Chicago.

To that end, along with my consultant, Madeline Doering Hill, I have engaged the Department of Planning and Development for the City of Chicago and am in the process of amending the use provisions of the Residential-Business Planned Development Number 173 to add a medical service use to the previously enumerated permitted uses (Please see Patrick Murphey's letter to Madeline Doering Hill dated May 19, 2020 and the Journal Extract for Planned Development 173 attached). Based on our conversations with Mr. Murphey and my experience with Zoning Amendments, I believe this process can be completed by or before fall of this year. Let me know if you have any questions or need any additional information.

Thank you for your time and consideration.

Sincerely,

Thomas S. Moore

Enc.
cc: Michael Hamblet

DEPARTMENT OF PLANNING AND DEVELOPMENT

CITY OF CHICAGO

May 19, 2020

Madeleine Doering Hill
VX Consulting
740 North Franklin Street
Suite 10
Chicago, Illinois 60654

Re: 50 East Huron Street

Dear Ms. Doering Hill:

In response to your recent request, filed on behalf of Restorative Care Institute, LLC, please be advised that the subject property is zoned Planned Development 173 (PD 173). Pursuant to the City Council ordinance which created PD 173, on July 13, 1977, the zoning district which preceded the establishment of this planned development was B7-6. Per Sections 17-1-1406-B.1 &.2, of the Chicago Municipal Code, that district was converted to DX-12, Downtown Mixed-Use District.

Pursuant to Section 17-8-0901, "...Planned Developments must be in substantial compliance with...use...of the zoning district applicable to the subject property immediately before approval of the planned development." Specific to the request by your client, "an acute care recovery center (with a 24 hour nursing staff on hand for discharged patients)" would be considered a medical service, per the bolded portion of Section 17-17-0104:

> Personal health services including prevention, diagnosis and treatment, **rehabilitation services provided by** physicians, dentists, **nurses**, and other health personnel and medical testing and analysis services. Typical *uses* include medical and dental offices, medical/dental laboratories, health maintenance organizations and government-operated health centers. Excludes use types more specifically classified, such as *hospitals*.

Pursuant to Section 17-4-0207-JJ, while a medical service use is permitted by-right in a DX district, the use terms of PD 173, found in its Statement Five (Journal of Council Proceedings, Page 5731) and its Bulk Table (Journal of Council Proceedings, Page 5736), such use is not permitted to be established in PD 173. Therefore, pursuant to Section 17-13-0611-A.1, PD 173 will need to be amended, per the requirements of Section 17-13-0600 to add the medical service use to the list of permitted use.

If your client seeks to pursue this amendment, please follow up with Noah Szafraniec, to coordinate your filing, and with Nancy Radzevich, to coordinate staff review by our department.

Sincerely,

Patrick Murphey
Zoning Administrator
Bureau of Zoning

Cc: Noah Szafraniec
Nancy Radzevich
Tom Moore, Anderson Moore

121 NORTH LASALLE STREET, ROOM 1000, CHICAGO, ILLINOIS 60602

Extract for
Planned Development 173

Journal of the Proceedings
of the
City Council
of the
City of Chicago, Illinois

Portions of this document are taken directly from The City of Chicago's Office of the City Clerk, City Council's Journal of the Proceedings.

Related documentation pertaining to this Planned Development may also be included.

#20-033

along said line as extended to the Center line of Superior Street; thence East along said Center line to the West line of Lot 42 as extended South in the Subdivision of Block 7 as aforesaid; thence North along said line as extended to the Center line of the East-West alley next North of Superior Street; thence West along said Center line as extended, to the Center line of Oakley Boulevard; thence North along said line to the point of beginning.

all as shown on the map attached hereto and made a part hereof.

SECTION 3. This ordinance shall be effective immediately upon the passage thereof.

Chicago Zoning Ordinance Amended to Reclassify Particular Areas.

On motion of Alderman Roti the City Council took up for consideration the report of the Committee on Buildings and Zoning deferred and published in the Journal of the Proceedings of July 7, 1977, pages 5573-5574, recommending that the City Council pass five proposed ordinances (under separate committee reports), for amendment of the Chicago Zoning Ordinance to reclassify particular areas.

Alderman Roti moved to *Concur In* the committee's recommendations and *each* of the five proposed ordinances was *Passed*, by yeas and nays as follows:

Yeas—Aldermen Roti, Barnett, Kenner, Evans, Lathrop, Sawyer, Wilinski, Humes, Adduci, Vrdolyak, Huels, Kwak, Madrzyk, Burke, Jaksy, Shannon, Kellam, Joyce, Kelley, Stewart, Stemberk, Lipinski, Rhodes, Marzullo, Zydlo, Ray, Washington, Cross, Hagopian, Keane, Gabinski, Mell, Frost, Laskowski, Aiello, Casey, Cullerton, Laurino, Gutstein, Pucinski, Natarus, Oberman, Fifielski, Cohen, Schulter, Saperstein, Stone—47.

Nays—None.

Alderman Natarus moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Said ordinances, as passed, read respectively as follows (the Italic heading in each case not being a part of the ordinance):

Reclassification of Area Shown on Map No. 1-E.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B7-6 General Central Business District symbols and indications as shown on Map No. 1-E in the area bounded by

E. Superior Street; a line 200.33 feet east of N. Wabash Avenue; a line 29.5 feet south of E. Superior Street; N. Rush Street; a line 54.5 feet south of E. Superior Street; a line 200.33 feet east of N. Wabash Avenue; E. Huron Street and N. Wabash Avenue

to the designation of a Residential-Business Planned Development which is hereby established in the area above described, subject to such use and bulk regulations as are set forth in the Plan of Development herewith attached and made a part hereof and to no others.

[Plan of Development printed on pages 5731-5736 of this Journal]

SECTION 2. This ordinance shall be in force and effect from and after its passage and due publication.

PD 173

Reclassification of Area Shown on Map No. 2-F.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the C3-5 Commercial-Manufacturing District symbols and indications as shown on Map No. 2-F in the area bounded by

W. Monroe Street; S. Canal Street; the alley next south of W. Monroe Street; a line 79.86 feet east of S. Clinton Street; a line 119.22 feet south of W. Monroe Street and S. Clinton Street

to those of a B6-7 Restricted Central Business District, and a corresponding use district is hereby established in the area above described.

SECTION 2. That the Chicago Zoning Ordinance be amended by changing all the B6-7 Restricted Central Business District Symbols and indications as shown on Map No. 2-F in the area hereinbefore established, bounded by

W. Monroe Street; S. Canal Street; the alley next south of W. Monroe Street; a line 79.86 feet east of S. Clinton Street; a line 119.22 feet south of W. Monroe Street and S. Clinton Street

to the designation of a Business Planned Development which is hereby established in the area above described, subject to such use and bulk regulations as are set forth in the Plan of Development herewith attached and made a part thereof and to no others.

[Plan of Development printed on pages 5737-5742 of this Journal]

SECTION 3. This ordinance shall be in force and effect from and after its passage and due publication.

Reclassification of Area Shown on Map No. 4-I.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-3 Restricted Manufacturing District Symbols and indications as shown on Map No. 4-I in the area bounded by

W. 21st Street; a line 528.46 feet east of S. Rockwell Street; W. 22nd Street; a line 94.33 feet east of S. Rockwell Street; a line 18.59 feet north of W. 22nd Street; a line 83.48 feet east of S. Rockwell Street; a line 48.06 feet north of W. 22nd Street; a line 81.78 feet east of S. Rockwell Street; a line 116.23 feet north of W. 22nd Street and S. Rockwell Street

to the designation of a Business Planned Development which is hereby established in the area above described, subject to such use and bulk regulations as are set forth in the Plan of Development herewith attached and made a part thereof and to no others.

[Plan of Development printed on pages 5743-5747 of this Journal]

SECTION 2. This ordinance shall be in force and effect from and after its passage and due publication.

RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT No. 173

PLAN OF DEVELOPMENT

STATEMENTS

1. The area delineated herein as "Residential-Business Planned Development" (except for the public areas) is controlled by American Library Association, whose address is 50 E. Huron Street, Chicago, Illinois.

2. Off-street parking and off-street loading facilities shall be provided in compliance with this Plan of Development, subject to the review of the Department of Streets and Sanitation and the approval of the Department of Development and Planning.

3. The Applicant or its successors, assignees or grantees shall obtain all official reviews, approvals and permits.

4. Any dedication or vacation of streets or alleys or easements or any adjustment of rights-of-way shall require a separate submittal on behalf of the Applicant or its successors, assignees or grantees, and approval by the City Council.

5. The following uses shall be permitted within the area delineated herein as "Residential-Business Planned Development"; elevator apartment structure, related health and recreational uses, including swimming pool; retail and service type business uses; professional and business offices; and parking garage.

6. Business and business identification signs may be permitted within the area delineated herein as "Residential-Business Planned Development" subject to the review and approval of the Department of Buildings and the Department of Development and Planning.

7. Any service drive or other ingress or egress shall be adequately designed and paved in accordance with the regulations of the Department of Streets and Sanitation and in compliance with the Municipal Code of Chicago to provide ingress and egress for motor vehicles, including emergency vehicles. There shall be no parking within such paved areas. Fire lanes shall be adequately designed and paved in compliance with the Municipal Code of Chicago and shall have a minimum width of 20 feet to provide ingress and egress for emergency vehicles. There shall be no parking within such paved areas.

8. The height restrictions of each building and any appurtenance attached thereto shall be subject to:

   (a) Height limitations as certified on Form FAA-117 (or on successor forms involving the same subject matter) and approved by the Federal Aviation Administration pursuant to Part 77 of The Regulations of the Administrator, Federal Aviation Administration; and

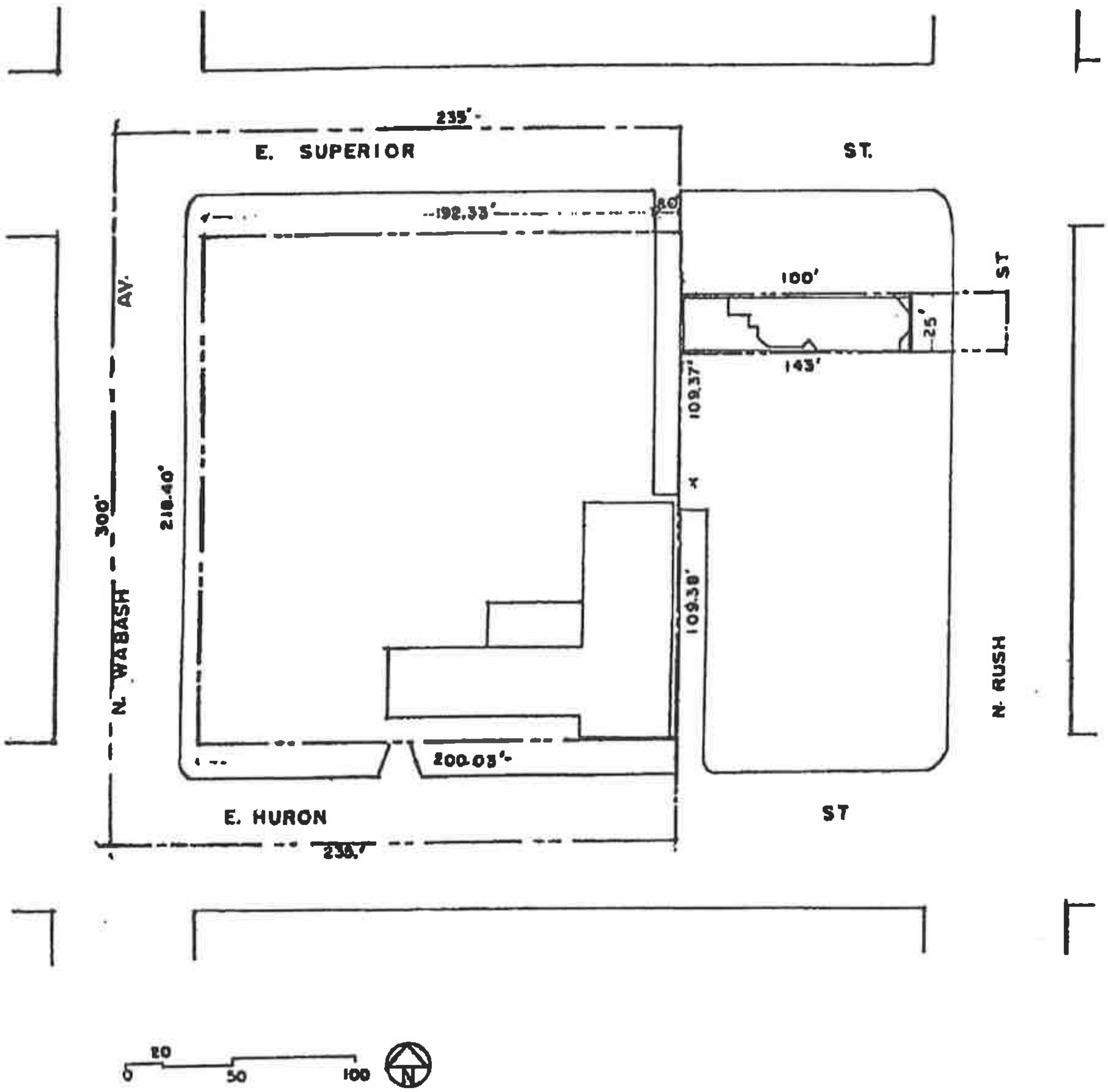
   (b) Airport Zoning Regulations as established by the Department of Development and Planning, Department of Aviation, and Department of Law and approved by the City Council.

9. The information in the table attached hereto sets forth the data concerning the generalized land use plan of the area delineated herein as "Residential-Business Planned Development" and illustrates that the development of such area will be in accordance with the intent and purpose of the Chicago Zoning Ordinance.

10. The Plan of Development shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Developments" as promulgated by the Commissioner of the Department of Development and Planning.

Applicant: McHugh-Levin Associates
Date: May 4, 1977

#20-033



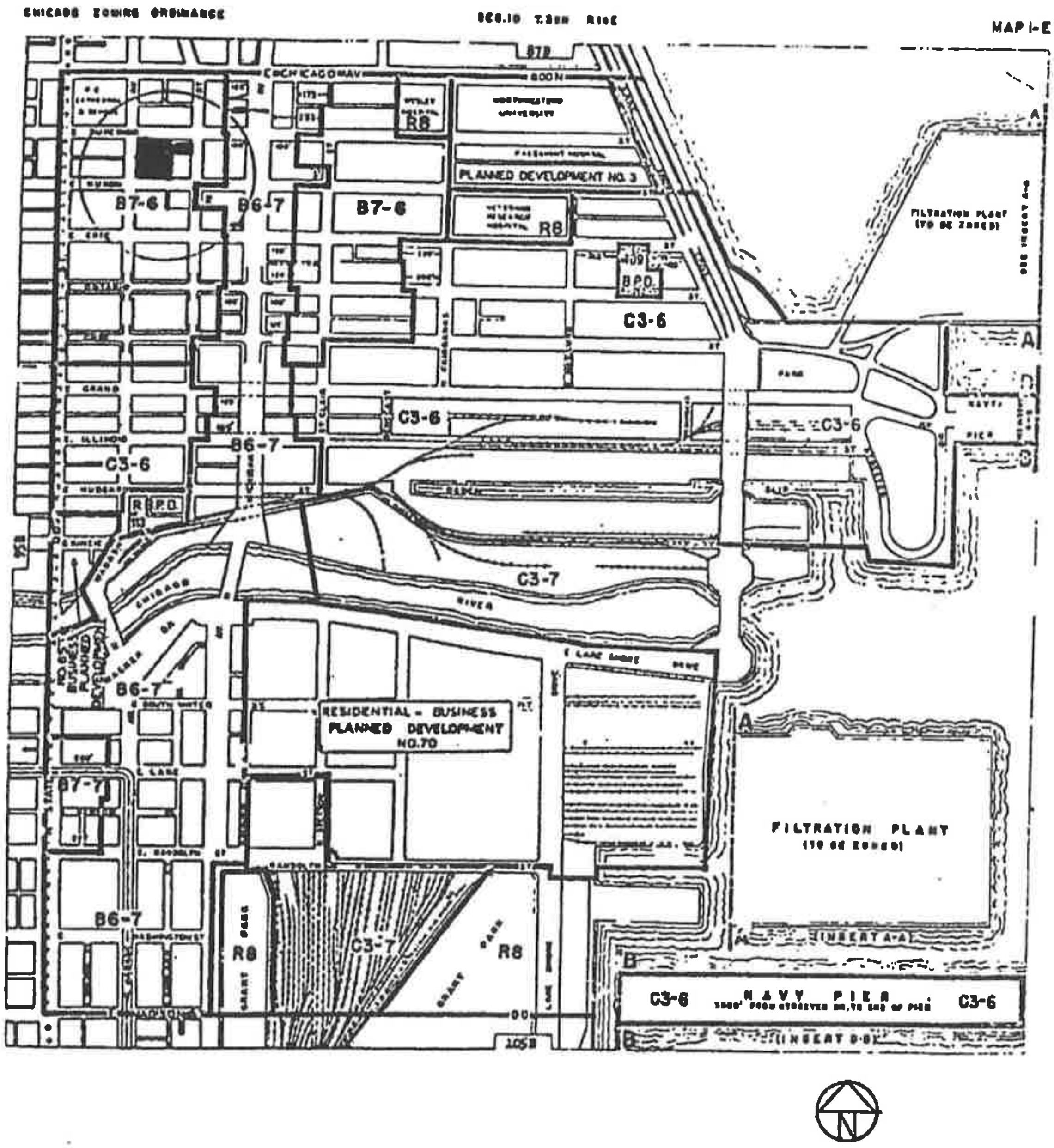
PLANNED DEVELOPMENT BOUNDARY MAP

RESIDENTIAL BUSINESS PLANNED DEVELOPMENT

APPLICANT: M^c HUGH LEVIN ASSOCIATES

DATE: MAY 3, 1977

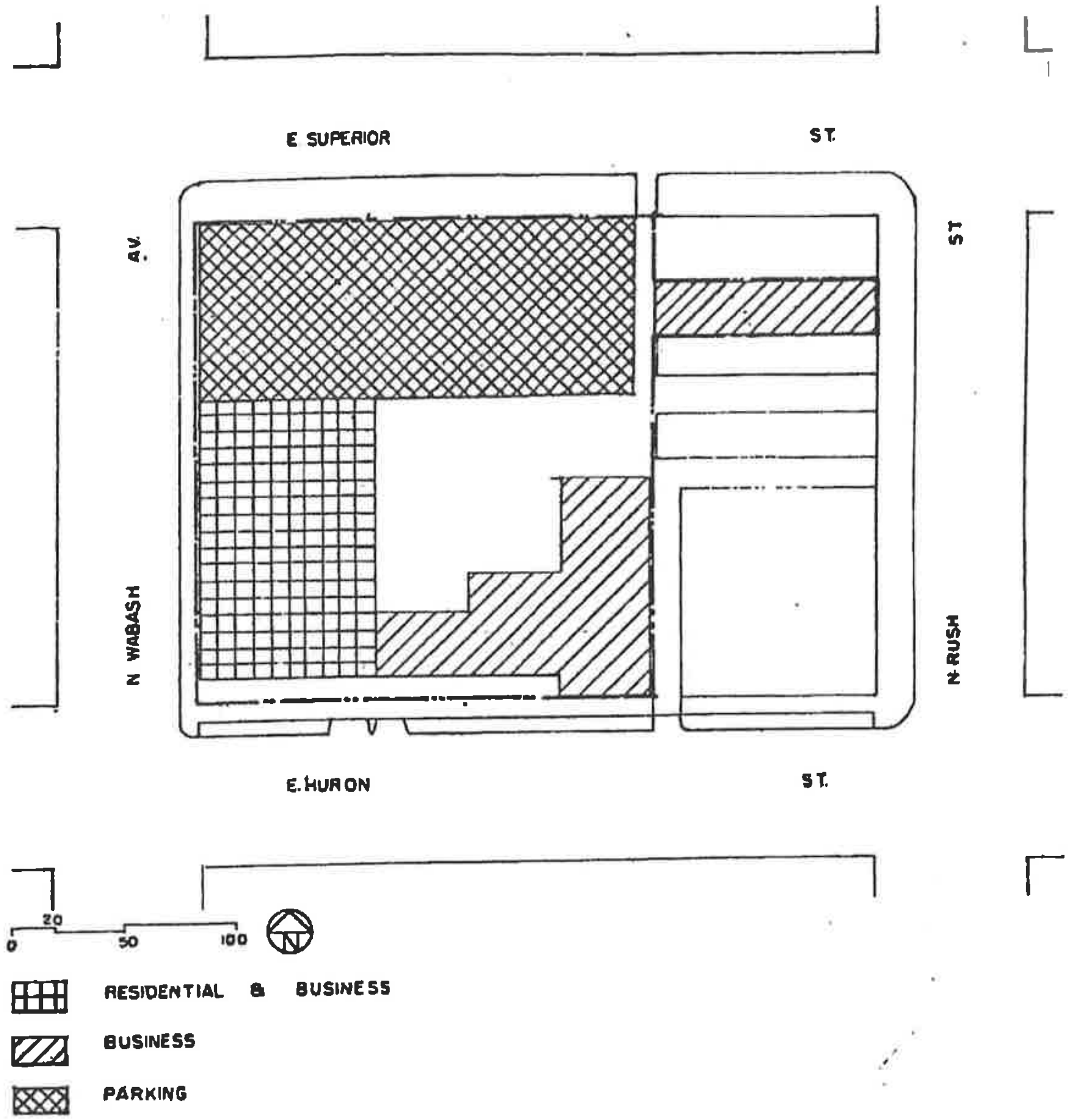
#20-033



ZONING & PREFERENTIAL STREETS MAP

RESIDENTIAL - BUSINESS PLANNED DEVELOPMENT
APPLICANT: McHUGH LEVIN ASSOCIATES
DATE: MAY 3 1977

#20-033

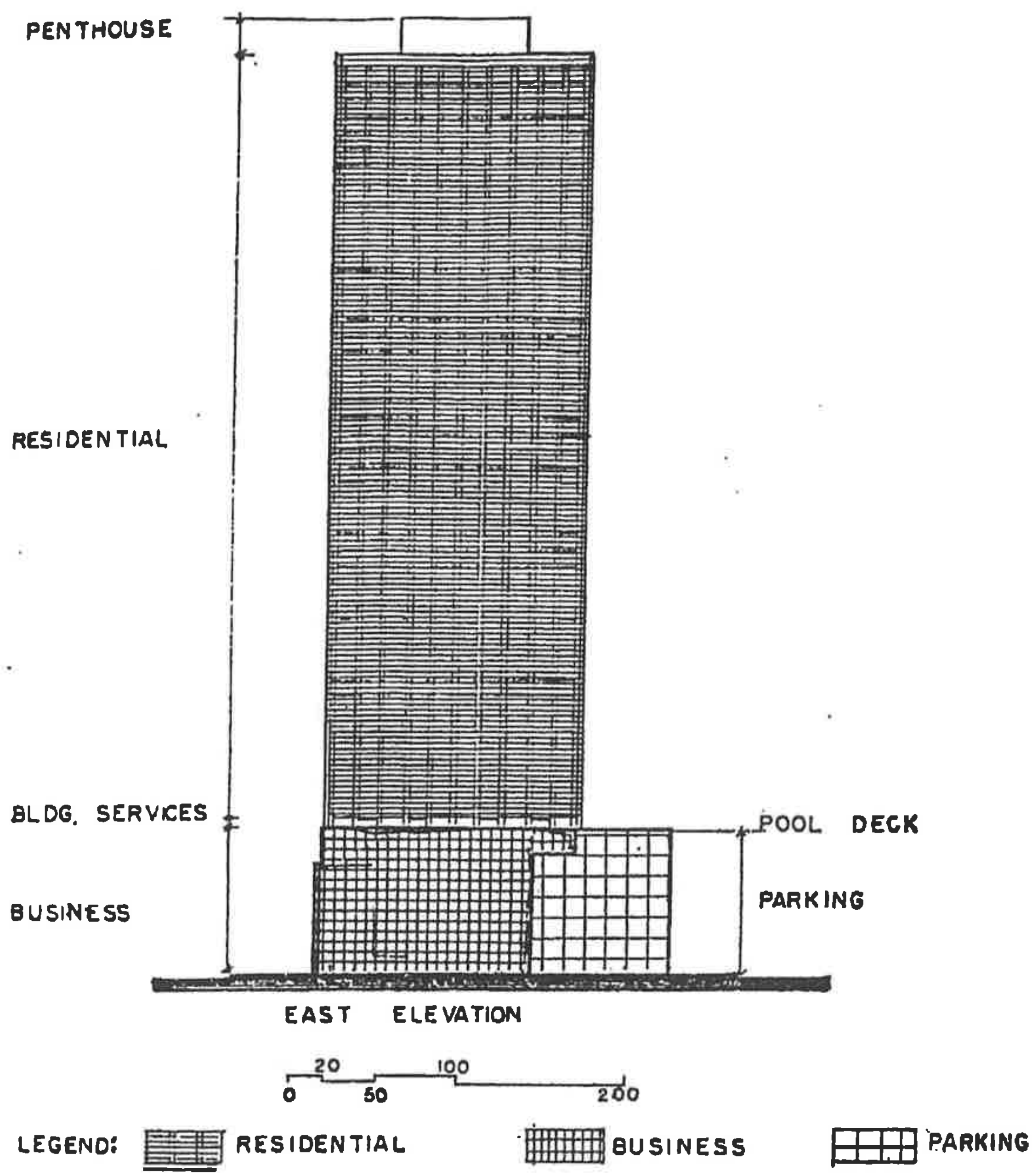


PROPOSED GENERALIZED LAND USE PLAN

RESIDENTIAL - BUSINESS PLANNED DEVELOPMENT

APPLICANT= M^c HUGH LEVIN ASSOCIATES

DATE: MAY 3, 1977



RESIDENTIAL - BUSINESS · PLANNED DEVELOPMENT

APPLICANT: McHUGH LEVIN ASSOCIATES

DATE: MAY 3, 1977

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June 12, 2020

Patrick Murphey
Zoning Administrator
Department of Planning and Development
121 N. LaSalle Street, Room 905
Chicago, IL 60602

RE: **Letter of Consent for Amendment to Residential-Business Planned Development No. 173**

Dear Administrator Murphey:

Please accept this letter of consent to the amendment for Residential-Business Planned Development No. 173 to be filed by *50 Huron Properties LLC* for the property located at 50 East Huron.

Sincerely,

John Connellan

Programs and Services
Offered on a Global Basis

A registered trademark of
The Connellan Group, Inc.

Altus Legal, LLC
161 North Clark St., Suite 1600
Chicago, Illinois 60601
Ph: 312.450.6655
Fx: 312. 523.2001
www.altuslegal.com

Nicholas Bartzen, Esq.
nicholas@altuslegal.com

ALTUS LEGAL LLC
CONDO AND HOA LAW

SENT VIA REGULAR U.S. MAIL

June 17, 2020

Re: Letter of Consent for Amendment to Residential-Business Planned Development No. 173

Patrick Murphey
Zoning Administrator
Department of Planning and Development
121 N. LaSalle Street, Room 905
Chicago, IL 60602

Dear Administrator Murphey:

This firm represents the 30 East Huron Condominium Association ("Association"), located at 30 E. Huron, Chicago, Illinois, 60611. Please accept this letter of consent, on behalf of the Association's Board of Directors, to the amendment for Residential-Business Planned Development No. 173 to be filed by *50 Huron Properties LLC* for the property located at 50 East Huron.

Sincerely,

Nicholas P. Bartzen

cc: Gina Will (via e-mail)
Madeleine Doering Hill (via e-mail)

Section IV, Service Specific Review Criteria
Criterion 1125.640 – Assurances

Attached at Attachment – 24 is a letter from Restorative Care Institute, LLC, certifying that the proposed facility will achieve target utilization by the second year of operation.

May 14, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Chair Savage:

Pursuant to 77 Ill. Admin. Code § 1125.640 I hereby certify that by the second year of operation after project completion, Restorative Care Institute, LLC will achieve and maintain the occupancy standards specified in 1125.210 (c) of the Board's rules for the long term care category of services.

Sincerely,

Michael J. Hamblet, Jr.
Manager
Restorative Care Institute, LLC

Subscribed and sworn to me
This ___ day of ____________, 2020

____
Notary Public

73581621.1

Section V, Financial and Economic Feasibility Review
Criterion 1125.800 Estimated Total Project Cost

Availability of Funds

1. Restorative Care Center will be funded through the issuance of a mortgage not to exceed 75% of the appraised value of the skilled nursing facility. Attached at Attachment – 27A is the financing proposal from Lakeside Bank for Restorative Care Institute.

Lakeside Bank
It's about time.™

April 30, 2020

Mitch Hamblet
President
Eden Services
1100 Jorie Boulevard, Suite 115
Oak Brook, Illinois 60523

Re: 50 East Huron Street, Chicago, Illinois

Dear Mr. Hamblet:

Lakeside Bank ("Bank") is pleased to present the following proposal for financing the credit facility related to the purchase of the property located at 50 East Huron, Chicago, Illinois, 60611 and further development into an 84 bed Skilled Nursing Facility. Please note this proposal is for discussion purposes only and the terms and conditions outlined are subject to final underwriting and full Discount Committee approval.

Borrower: 50 Huron Properties LLC (or a single purpose entity to be determined)

Loan Amount: Not to exceed 75% of Appraised Value

Purpose: Facilitate the purchase and development of the property located at 50 East Huron, Chicago, Illinois, 60611

Term: 3 Years

Interest Rate: Borrower's Option of:

- 30-Day LIBOR + 300bps, Floating.
- 4.00%, Fixed via a 2-Year SWAP[1]
- 4.25%, Fixed via a 3-Year SWAP[1]

[1] Subject to ECP regulations. All rates are subject to change on a daily basis.

Repayment:

1. Monthly payments of accrued interest only for the first 12 months
2. For the remaining 24 months, Principal plus Interest due monthly, based on a 25-year amortization.

Fee: 75bps of the committed loan amount.

Lakeside Bank
It's about time.™

Collateral:

- First Mortgage and Assignment of Rents and Leases on the real estate located at 50 East Huron, Chicago, Illinois, 60611
- First priority blanket lien on the general business assets of Michael J. Hamblet Restorative Care.

Guarantors:

Unlimited Personal Guaranty of Michael ("Mitch") Hamblet. The Guaranty will be reduced to 50% upon completion of the project, receipt of a certificate of occupancy, and a trailing twelve-month Debt Service Coverage Ratio of 1.25x.

Unlimited Corporate Guaranty of Michael J. Hamblet Restorative Care.

Covenants:

Borrower must maintain a post distribution debt coverage ratio of not less than 1.25x, to be tested semi-annually on a trailing twelve-month basis. Debt Service Coverage ratio is computed using EBITDAR, less Distributions, divided by all Opco Principal & Interest Payments and all Rent, EBITDAR is defined as earnings before Interest Expense, Income Tax Expense, Depreciation, Amortization, and all Rent.

Tracking Requirements:

1. Annual accountant prepared Reviewed Financial Statements for 50 Huron Properties and Michael J. Hamblet Restorative Care due within 120 days after year-end.
2. Annual Personal Financial Statement of Guarantor, due 120 days after year-end.
3. Annual Personal Tax Returns of Guarantor, due 30 days after timely filing.
4. Quarterly company prepared financial statements for 50 Huron Properties and Michael J. Hamblet Restorative Care, due within 30 days after each quarter-end.

Other Conditions

- Satisfactory receipt and review of appraisal on real estate located at 50 East Huron, Chicago, Illinois, 60611.

Lakeside Bank
It's about time.™

- Satisfactory receipt and review of environmental due diligence, including but not limited to an Environmental Phase 1 on real estate located at 50 East Huron, Chicago, Illinois, 60611.
- Satisfactory receipt and review of flood determination.
- Borrower to maintain all corporate related deposit accounts at the Bank.
- Borrower to provide proof of insurance as required by Bank.
- Loan documents to be attorney prepared.
- Loan to be formally closed via a title company.
- Borrower responsible for all out of pocket costs.

We appreciate the opportunity to provide this proposal for financing the purchase and development of the property located at 50 East Huron, Chicago, Illinois, 60611. We look forward to furthering our relationship with Eden Services and expanding our Bank's skilled nursing facility healthcare portfolio with this 80 bed facility. If you have any questions concerning this proposal or wish to have further discussion, please feel free to contact me directly.

Sincerely,

Michael J. Fogarty

Michael J. Fogarty
Vice President
Lakeside Bank

Call or stop in today!
Chicago: 312-435-5100 | Elmhurst: 331-979-7404

Board of Trade 141 W. Jackson Blvd. Chicago, IL 60604
Chinatown/Pilsen 2200 S. Archer Ave. Chicago, IL 60616
Elmhurst 165 S. York St. Elmhurst, IL 60126
Lakeview/ Lincoln Park 2800 N. Ashland Ave. Chicago, IL 60657
North Loop 55 W. Wacker Dr. Chicago, IL 60601
South Loop 1350 S. Michigan Ave. Chicago, IL 60605
UIC/Near West 1055 W. Roosevelt Rd. Chicago, IL 60608

NNN BUILDING LEASE

CAUTION: Consult a lawyer before using or acting under this form. Neither the publisher nor the seller of this form makes any warranty with respect thereto, including any warranty of merchantability or fitness for a particular purpose.

Above Space for Recorder's use only

TERM OF LEASE BEGINNING	ENDING	PURPOSE
08/01/22	7/31/32	
BASE RENT	DATE OF LEASE	LOCATION OF PREMISES
$115,000.00	05/01/2020	50 East Huron St. Chicago, IL 60611
SKILLED NURSING FACILITY USE		
LESSEE		LESSOR

Restorative Care Institute, LLC
50 East Huron St.
Chicago, IL 60611

50 Huron Properties, LLC
1100 Jorie Blvd. STE 115
Oak Brook, IL 60523

ACKNOWLEDGEMENT

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor solely for the above purpose the premises designated above (the "Premises"), together with the appurtenances thereto, for the above Term.

By signing below, the parties acknowledge having read this Contract in full, along with all exhibits and attachments thereto, they understand and agree to the terms and conditions set forth herein, and acknowledge the receipt of a copy of the Contract, exhibits and attachments.

LESSEE:

Restorative Care Institute, LLC

Michael "Mitch" J. Hamblet, General Manager

LESSOR:

50 Huron Properties, LLC

Michael "Mitch" J. Hamblet, General Manager

1. **RENT:** Commencing five months after the Lease Beginning Date, Lessee shall pay Lessor or Lessor's agent monthly rent for the Premises in advance, until termination of this lease, at Lessor's address stated above or such other address as Lessor may designate in writing.

2. **BASE RENT INCREASES:** Commencing on the one year anniversary of the Lease Beginning date, and on each annual anniversary thereafter during the Lease Term, the Base Rent shall be increased by 3% of the then current rental amount.

3. **ADDITIONAL RENT:** In addition to Base Rent, Lessee agrees to pay to Landlord as additional rent: (i) Real Estate Taxes, insurance, common area maintenance (which includes, but is not limited to: snow removal, window washing, landscaping, cleaning, all utilities, supplies, painting, floor coverings, and general building upkeep, repairs, or other items related to the operation or maintenance of the building, and (ii) any and all other amounts Lessee assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Lessee or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Lessee, after any applicable notice and cure period. The below items specifically define Tenant's responsibilities:

REAL ESTATE TAXES. Tenant shall pay, during the term of this Lease, the real estate taxes and special taxes and assessments (collectively, the "taxes") attributable to the premises and accruing during such term. Tenant, at Landlord's option, shall pay to Landlord said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. Taxes for any fractional calendar year during the term hereof shall be prorated. In the event Tenant does not make any tax payment required hereunder, Tenant shall be in default of this Lease.

OPERATING EXPENSES. Unless modified in accordance with Exhibit D, Landlord maintenance addendum, attached hereto, it is the intention of the parties and they hereby agree that this shall be a triple net Lease, and the Landlord shall have no obligation to provide any services, perform any acts or pay any expenses, charges, obligations or costs of any kind whatsoever with respect to the Premises, and Tenant hereby agrees to pay one hundred percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the Lease and any extensions thereof in accordance with specific provisions hereinafter set forth. The term Operating Expenses shall include all costs to Landlord of operating and maintaining the Building and related parking areas, and shall include, without limitation, real estate and personal property taxes and assessments, management fee, heating, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Building and related parking areas, unless expressly excluded from operating expenses. Notwithstanding the foregoing, operating costs (and Tenant's obligations in relation thereto) shall not include (i) any expense chargeable to a capital account or capital improvement, ground leases; principal or interest payments on any mortgage or deed of trust on the premises; (ii) any amount for which Landlord is reimbursed through insurance, by third persons, or directly by other tenants of the premises, (iii) repair costs occasioned by fire, windstorm or other casualty, (iv) any construction, repair or maintenance expenses or obligations that are the sole responsibility of Landlord (not to be reimbursed by Tenant), (v) leasing commissions and other expenses incurred in connection with leasing any other area located on the premises to any other party, (vi) any expense representing an amount paid to an affiliate or subsidiary of Landlord which is in excess of the amount which would be paid in the absence of such relationship, and (vii) costs of items and services for which Tenant reimburses Landlord or pays third persons directly.

4. **LATE PAYMENT & NSF PENALTIES:** All installments of Base Rental or any other sum due Lessor hereunder if paid after the 5th of each month shall incur a penalty equal to five percent (5%) of the amount then due. Said penalty is to cover Lessor's administrative and overhead expenses of processing late payments. Such payments shall be deemed neither liquidated damages nor a penalty and shall not excuse the timely payment of rent. If Lessee fails to pay any basic rent, additional rent or any other sum within five (5) days after the same becomes due and payable, interest shall accrue on the unpaid portion thereof beginning on the sixth day at a rate of one and one half (1.5%) per month. Such interest shall be deemed additional rent hereunder and shall be collectible as such without any demand whatsoever required by Lessor. In addition, all returned checks and/or non- sufficient funds (NSF) will be charged to Lessee at $50 per check.

5. **GAS AND ELECTRIC AND ALL UTILITY CHARGES:** Lessee will pay, in addition to the rent above specified, all separately metered gas and electric, water, internet, phone, cable and all special assessments related to utility use and power bills taxed, levied or charged on the Premises, for and during the time for which this lease is granted and in case said bills for gas, electric light and power shall not be paid when due, Lessor shall have the right to pay the same, which amounts so paid, together with any sums paid by Lessor to keep the Premises in a clean and healthy condition, as herein specified, are declared to be so much additional rent and payable with the installment of rent next due thereafter.

6. POSSESSION. Possession shall be on Beginning Lease Date or sooner if by contract, unless otherwise provided. Landlord shall use due diligence to give possession as nearly as possible at the beginning of the Term. Rent shall abate pro rata for the period of any delay in giving Tenant possession, but the Term shall not be extended as a result of such delay. Tenant shall make no other claim against Landlord for delay in obtaining possession.

7. LESSEE NOT TO MISUSE: Lessee will not permit any unlawful or immoral practice, with or without his knowledge or consent, to be committed or carried on in the Premises by himself or by any other person. Lessee will not allow the Premises to be used for any purpose that will increase the rate of insurance thereon, nor for any purpose other than that hereinbefore specified. Lessee will not keep or use or permit to be kept or used in or on the Premises or any place contiguous thereto any flammable fluids or explosives, without the written permission of Lessor first had and obtained. Lessee will not load floors beyond the floor load rating prescribed by applicable municipal ordinances. Lessee will not use or allow the use of the Premises for any purpose whatsoever that will injure the reputation of the Premises or of the building of which they are a part.

8. CONDITION ON POSSESSION: Lessee has examined and knows the condition of the Premises and has received the same in good order and repair, subject to latent defects, and acknowledges that no representations as to the condition and repair thereof, and no agreements or promises to decorate, alter, repair or improve the Premises, have been made by Lessor or his agent prior to or at the execution of this lease that are not herein expressed.

9. REPAIRS AND MAINTENANCE: Lessee shall keep the Premises and appurtenances thereto in a clean, slightly and healthy condition, and in good repair, all according to the statutes and ordinances in such cases made and provided, and the directions of public officers thereunto duly authorized, all at his own expense, and shall yield the same back to Lessor upon the termination of this lease, whether such termination shall occur by expiration of the term, or in any other manner whatsoever, in the same condition of cleanliness, repair and sightliness as at the date of the execution hereof, loss by fire and reasonable wear and tear excepted. Lessee shall make all necessary repairs and renewals upon Premises and replace broken globes, glass and fixtures with material of the same size and quality as that broken. If, however, the Premises shall not thus be kept in good repair and in a clean, sightly and healthy condition by Lessee, as aforesaid, Lessor may, after written notice and failure by Lessee to cure same within 30 days thereafter, unless the local jurisdiction or governing body requires a shorter time period, than the shorter timeline will prevail, enter the same, himself or by his agents, servants or employees, without such entering causing or constituting a termination of this lease or an interference with the possession of the Premises by Lessee, and Lessor may replace the same in the same condition of repair, sightliness, healthiness and cleanliness as existed at the date of execution hereof, and Lessee agrees to pay Lessor, in addition to the rent hereby reserved, the expenses of Lessor in thus replacing the Premises in that condition. Lessee shall not cause or permit any waste, misuse or neglect of the water, or of the water, gas or electric fixtures.

10. ACCESS TO PREMISES: Upon reasonable prior notice, Lessee shall allow Lessor or any person authorized by Lessor free access to the Premises for the purpose of examining or exhibiting the same, or to make any repairs or alterations thereof which Lessor may see fit to make, and Lessee will allow Lessor to have placed upon the Premises at all times notices of "For Sale" and "For Rent (during the last 12 months of the Term), and Lessee will not interfere with the same.

11. NON-LIABILITY OF LESSOR, LESSEE INSURANCE: Except as provided by Illinois statute and Landlord's gross negligence or wilful misconduct, Lessor shall not be liable to Lessee for any damage or injury to him or his property occasioned by the failure of Lessor to keep the Premises in repair, and shall not be liable for any injury done or occasioned by wind or by or from any defect of plumbing, electric wiring or of insulation thereof, gas pipes, water pipes or steam pipes, or from broken stairs, porches, railings or walks, or from the backing up of any sewer pipe or down-spout, or from the bursting, leaking or running of any tank, tub, washstand, water closet or waste pipe, drain, or any other pipe or tank in, upon or about the Premises or the building of which they are a part nor from the escape of steam or hot water from any radiator, it being agreed that said radiators are under the control of Lessee, nor for any such damage or injury occasioned by water, snow or ice being upon or coming through the roof, skylight, trap-door, stairs, walks or any other place upon or near the Premises, or otherwise, nor for any such damage or injury done or occasioned by the falling of any fixture, plaster or stucco, nor for any damage or injury arising from any act, omission or negligence of co-Lessees or of other persons, occupants of the same building or of adjoining or contiguous buildings or of owners of adjacent or contiguous property, or of Lessor's agents or Lessor himself, all claims for any such damage or injury being hereby expressly waived by Lessee.

At all times during the Term hereof Lessee shall maintain the following insurance coverage for the benefit of Lessor, its owners, partners and beneficiaries and Lessor's secured lenders:

a. Comprehensive Public Liability Insurance. Lessee agrees to protect and save harmless the Lessor of and from any and all claims for injuries to persons or property by reason of accident or happening upon the demised Premises and agrees to carry comprehensive public liability insurance, product liability and property damage insurance at its own expense. The loss payable thereunder shall not be less than two million dollars ($2,000,000.00); and the loss payable in the event of a casualty damaging property shall not be less than one million dollars ($1,000,000.00). All policies of insurance at shall be written in companies reasonably acceptable to Lessor, rated A- or better, and certificates evidencing such coverage shall be delivered to Lessor prior to the commencement of this lease and thereafter not less than 30 days prior to the expiration date of any such policy. No such policy shall be cancelable, reduced or otherwise diminished except after 30 days written notice to Lessor, except non-payment of premium for which 10 days' notice shall suffice. Provided in the event that it is canceled that it becomes a condition of default under the lease if Lessee has not replaced the insurance before the effective date of the cancellation.

b. INTENTIONALLY DELETED.

c. Worker's Compensation Insurance and Employer's Liability Insurance with limits of not less than $500,000 with respect to bodily injury, sickness, disease or death of any person resulting from any one occurrence and as required by any Employees Benefit Act or other applicable statute.

d. Contents insurance. Insurance against loss or damage to Lessee's merchandise inventory, contents, furniture, fixtures, equipment or other personal property of or used by Lessee within the leased Premises, such insurance protecting Lessor and Lessee on an "All Risk" basis of with extended coverage and in amounts not less than the full insurable replacement value of such property.

General. Lessee will, from time to time as policies of insurance are issued and renewed, furnish to Lessor certification of such insurance. Such certificate shall be furnished to the Lessor prior to the time the Lessee enters the demised Premises or at the time of the commencement of this Lease, whichever is earlier. In the event certificates are not furnished at the times indicated, the Lessor is hereby granted the right to place and procure said insurance and any renewals or extensions thereof, and Lessee hereby agrees to repay to the Lessor such gross premiums as are paid by the Lessor for said insurance or renewals or extensions thereof as so much additional rent to become due and payable. It is expressly understood that Lessor assumes no responsibility to the Lessee with regard to the procurement or renewal of such insurance. Unless later modified, in writing, by Lessor, Lessee's insurance aforesaid shall expressly recite Lessor's interest and the interest of Lessee's lenders.

12. **RESTRICTIONS (SIGNS, ALTERATIONS, FIXTURES):** Lessee shall not attach, affix or exhibit or permit to be attached, affixed or exhibited, except by Lessor or his agent, any articles of permanent character or any sign, attached or detached, with any writing or printing thereon, to any window, floor, ceiling, door or wall in any place in or about the Premises, or upon any of the appurtenances thereto, without in each case the written consent of Lessor first had and obtained and shall not commit or suffer any waste in or about said premises; and shall make no changes or alterations in the Premises by the erection of partitions or the papering of walls, or otherwise, without the consent in writing of Lessor; and in case Lessee shall affix additional locks or bolts on doors or window, without the consent of Lessor first had and obtained, such locks, bolts shall remain for the benefit of Lessor, and without expense of removal or maintenance to Lessor. Lessee may remove the existing light fixtures, return them to Landlord, install new track lighting and light fixtures for said track lighting and does not require prior approval from the Landlord. Any light fixtures installed, including the track and track lights shall remain for the benefit of the Lessor and Lessor shall have the privilege of retaining the same if he desires. If Lessor does not desire to retain the same, he may remove and store the same, and Lessee agrees to pay the expense of removal and storage thereof.

The provisions of this paragraph shall not however apply to Lessee's trade fixtures, equipment and movable furniture. Lessor will not unreasonably withhold permission for alterations, improvements, additions, changes, installations or repairs of any kind as long as said improvements, additions, changes, installations or repairs do not affect the quiet enjoyment of the other Lessees in the building or damage the structure or value of the building.

13. **HEAT, GENERATOR & AIR CONDITIONING:** Premises are served by individual HVAC, and generator heat. Lessee is responsible to change all filters and performing normal maintenance on the unit(s). Should units fail due to lack of normal maintenance, neglect or vandalism, then Lessee will be responsible for any necessary repairs. If unit fails due to age or normal obsolescence, then Lessor will be responsible for repairs and replacements. Lessor warrants that the HVAC, electrical, plumbing and other systems serving the Premises are in good working order and will be in good working order during the first year of the Term. Lessor does not warrant that the heating service will be free from interruptions caused by strike, accident or other cause beyond the reasonable control of Lessor, or by removal or repair of the heating apparatus in the building. Any such interruption shall not be deemed an eviction or disturbance of Lessee's use and possession of Premises, nor render Lessor liable to Lessee in damages. All claims against Lessor for injury or damage arising from failure to furnish heat are hereby expressly waived by Lessee. Notwithstanding anything to the contrary contained in the Lease, should any of the services described herein be interrupted for any reason other than Lessee's negligence or terminated by reason of Lessor's negligence or willful misconduct (a "Service Interruption") and if as a result of such Service Interruption, the Premises or any portion thereof are rendered untenantable and such Service Interruption continues for a period in excess of five (5) consecutive business days, then all Rent shall proportionately abate as to those portions of the Premises rendered untenantable from and after the date of the Service Interruption and shall continue until such service is restored to such space and such space is again tenantable. Lessee shall give Lessor prompt notice of any Service Interruption.

14. **LESSOR'S INSURANCE, FIRE AND CASUALTY:** Lessor shall insure the Building on an "all risks" of physical loss or damage basis, in an amount equivalent to the full replacement cost of the Building, and shall maintain comprehensive general liability

insurance as is customarily maintained by landlords of skilled nursing home buildings in Chicago, IL. These insurance provisions shall in no way limit or modify Lessee's obligations under the provisions of this Lease. In case the Premises shall be rendered untenantable by fire, explosion or other casualty, Lessor will notify Lessee within 14 days that he will either terminate this lease or repair the Premises within sixty days after the date of the casualty. If Lessor does not repair the Premises within said time, or the building containing the Premises shall have been wholly destroyed, the term hereby created shall cease and terminate. Only in the case of the Premises being rendered untenantable, shall Lessor refund any monies paid by Lessee during the period Lessee was unable to occupy and use the Premises.

15. **TERMINATION; HOLDING OVER**: At the termination of the term of this lease, by lapse of time or otherwise, Lessee will yield up immediate possession of the Premises to Lessor, in good condition and repair, loss by fire and ordinary wear excepted, and will return the keys therefore to Lessor at the place of payment of rent. If Lessee retains possession of the Premises or any part thereof after the termination of the term by lapse of time or otherwise, then Lessor may at its option within thirty days after termination of the term serve written notice upon Lessee that such holding over constitutes either (a) the creation of a month to month tenancy, upon the terms of this lease except at 1.5x the monthly rental specified in Section 1, or (b) creation of a tenancy at sufferance, at a rental of the then current lease rate / the number of days in the month x 1.20% per day, for the time Lessee remains in possession. If no such written notice is served then a tenancy at sufferance with rental as stated at (c) shall have been created. Lessee shall also pay to Lessor all damages sustained by Lessor resulting from retention of possession by Lessee. The provisions of this paragraph shall not constitute a waiver by, Lessor of any right of re-entry as hereinafter set forth; nor shall receipt of any rent or any other act in apparent affirmance of tenancy operate as a waiver of the right to terminate this lease for a breach of any of the covenants herein.

16. **LESSEE'S DEFAULT:** Notwithstanding anything prior to the contrary, for all purposes of this Lease it shall be at "Lessee Default" if Lessee shall (a) fail to pay monthly installment of Base Rent or Additional Rent, or any other sum payable hereunder, within five (5) days after written notice of the same has been given to Lessee by Lessor, (b) violate or fail to perform any of the other covenants or agreements herein made by Lessee, and such violation or failure shall continue for thirty (30) days after written notice thereon to Lessor by Lessee; provided, however, that if the covenant, term or condition to be performed by Lessee is of such nature that the same cannot reasonably be performed within such thirty (30) day period, then Lessee shall have an additional fifteen (15) day period to cure such default if Lessee commences such performance within said thirty (30) day period and thereafter diligently undertakes to complete the same.

17. **RIGHT TO RELET**: If Lessee's right to the possession of the Premises shall be terminated in any way, the Premises, or any part thereof, may, but need not (except as provided by Illinois statute), be relet by Lessor, for the account and benefit of Lessee, for such rent and upon such terms and to such person or persons and for such period or periods as may seem fit to the Lessor, but Lessor shall not be required to accept or receive any Lessee offered by Lessee, nor to do any act whatsoever or exercise any diligence whatsoever, in or about the procuring of any care or diligence by Lessor in the reletting thereof; and if a sufficient sum shall not be received from such reletting to satisfy the rent hereby reserved, after paying the expenses of reletting and collection, including commissions to agents, and including also expenses of redecorating. Lessee agrees to pay and satisfy all deficiency; but the acceptance of a Lessee by Lessor, in place of Lessee, shall not operate as a cancellation hereof, nor to release Lessee from the performance of any covenant, promise or agreement herein contained, and performance by any substituted Lessee by the payment of rent, or otherwise, shall constitute only satisfaction pro tanto of the obligations of Lessee arising hereunder.

18. **COSTS AND FEES:** If either Landlord or Lessee shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, its reasonable attorneys' fees.

19. **SECURITY DEPOSIT:** Lessee will deposit with Lessor a Security Deposit of $115,000.00 for the performance of all covenants and agreements of Lessee hereunder. Lessor may apply all or any portion thereof in payment of any amounts due Lessor from Lessee, and upon Lessor's demand Lessee shall in such case during the term of the lease promptly deposit with Lessor such additional amounts as may then be required to bring the Security Deposit up to the full amount stated above. Upon termination of the lease and full performance of all matters and payment of all amounts due by Lessee, so much of the Security Deposit as remains unapplied shall be returned to Lessee within forty five (45) days from the date Lessee have removed all of their belongings, improvements, alterations, etc. required by this Lease to be removed, and returned all keys and fobs to Landlord. This Security Deposit does not bear interest nor does it have to be maintained in a separate account unless and except as required by law. Where all or a portion of the Security Deposit is applied by Lessor as compensation for property damage, Lessor when and as required by law shall provide to Lessee an itemized statement of such damage and of the estimated or actual cost of repairing same. If the building in which Premises are located (the "Building") is sold or otherwise transferred, Lessor may transfer or assign the Security Deposit to the purchaser or transferee of the Building, who shall thereupon be liable to Lessee for all of Lessor's obligations hereunder, and Lessee shall look thereafter solely to such purchaser or transferee for return of the Security Deposit and for other matters relating thereto.

20. **LESSOR'S LIEN:** Lessor shall have a first lien upon the interest of Lessee under this lease, to secure the payment of all monies due under this lease, which lien may be foreclosed in equity at any time when money is overdue under this lease; and the

Lessor shall be entitled to name a receiver of said leasehold interest, to be appointed in any such foreclosure proceeding, who shall take possession of, said premises and who may relet the same under the orders of the court appointing him.

21. **REMOVAL OF OTHER LIENS:** In event any lien upon Lessor's title results from any act or neglect of Lessee, and Lessee fails to remove said lien within ten days after Lessor's notice to do so, Lessor may remove the lien by paying the full amount thereof or otherwise and without any investigation or contest of the validity thereof, and Lessee shall pay Lessor upon request the amount paid out by Lessor in such behalf, including Lessor's actual costs, expenses and reasonable counsel fees.

22. **REMEDIES NOT EXCLUSIVE:** The obligation of Lessee to pay the rent reserved hereby during the balance of the term hereof, or during any extension hereof, shall not be deemed to be waived, released or terminated by the service of any five-day notice, other notice to collect, demand for possession, or notice that the tenancy hereby created will be terminated on the date therein named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in such action, or any other act or acts resulting in the termination of Lessee's right to possession of the Premises. The Lessor may collect and receive any rent due from Lessee, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment, or in any manner whatsoever waive, affect, change, modify or alter any rights or remedies which Lessor may have by virtue hereof.

23. **NOTICES:** Notices may be served on either party, at the respective addresses given at the beginning of this lease, either (a) by delivering or causing to be delivered a written copy thereof, or (b) by sending a written copy thereof by United States certified or registered mail, postage prepaid, addressed to Lessor or Lessee at said respective addresses in which event the notice shall be deemed to have been served at the time the copy is mailed.

24. **MISCELLANEOUS:** (a) Provisions typed on this lease and all riders attached to this lease and signed by Lessor and Lessee are hereby made a part of this lease. (b) Lessee shall keep and observe such reasonable rules and regulations now or hereafter required by Lessor, which may be necessary for the proper and orderly care of the Building of which the Premises are a part, provided that same do not increase Lessee's monetary obligations hereunder or materially adversely affect Lessee's rights hereunder. (c) All covenants, promises, representations and agreements herein contained shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns, (d) The rights and remedies hereby created are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another. (e) The words "Lessor" and "Lessee" wherever used in this lease shall be construed to mean Lessors or Lessees in all cases where there is more than one Lessor or Lessee, and to apply to individuals, male or female, or to firms or corporations, as the same may be described as Lessor or Lessee herein, and the necessary grammatical changes shall be assumed in each case as though fully expressed.

25. **SEVERABILITY:** If any clause, phrase, provision or portion of this lease or the application thereof to any person or circumstance shall be invalid, or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this lease nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

26. **LESSOR'S DEFAULT:** In the event that Lessor defaults in the performance of any term, covenant or provision of this Lease, and such default is not cured within thirty (30) days after written notice thereof from Lessee to Lessor, Lessee shall have the right to cure such default and deduct the cost of such cure from Rent.

27. **LESSOR'S CONSENT:** Except as specifically set forth herein, where the terms of this Lease call for Lessor's consent or approval, such consent or approval shall not be unreasonably withheld, delayed or conditioned.

28. **QUIET ENJOYMENT:** Lessor warrants that it has full right and authority to execute and perform this Lease and to grant the estate demised, and, Lessor covenants and agrees with Lessee that so long as Lessee shall not be in Default hereunder, Lessee shall have the right to quiet enjoyment of the Premises and shall use and enjoy the Premises throughout the Term and any renewal or extension thereof without hindrance or molestation by anyone claiming by, through or under Lessor.

29. **LESSOR TO MITIGATE DAMAGES:** Upon any default of Lessee, Lessor shall use commercially reasonable efforts to mitigate its damages.

30. **HOUR ACCESS:** Notwithstanding anything to the contrary contained in this Lease, Lessee shall have access to the Premises 24 hours a day, 7 days a week.

31. Force Majeure. Lessee shall not be deemed in default with respect to any of the terms, covenants and conditions of this Lease on Lessee's part to be performed if Lessee's failure to timely perform same is due in whole or in part to any, civil disorder, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, shortages, accidents, casualties, acts of God, acts caused directly by Lessor or Lessor's agents, employees and invitees, or any other cause beyond the reasonable control of the Lessee.

13. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, transfer or encumber this Lease and shall not sublease the Premises or any part thereof or allow any other person to be in possession thereof without the prior written consent of Landlord, in each and every instance. Said consent shall not be unreasonably withheld by Landlord. For the purpose of this provision, any transfer of a majority or controlling interest in Tenant (whether in one or more related or unrelated transactions), whether by transfer of stock, consolidation, merger, transfer of a partnership interest or transfer of any or all of Tenant's assets or otherwise, or by operation of law, shall be deemed an assignment of this lease. Notwithstanding any permitted assignment or subletting, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under the terms and provisions of this Lease.

ASSIGNMENT BY LESSOR

On this ____________________________, 20 ________, for value received, Lessor hereby transfer, assigns and sets over to ______________________________, all right, title and interest in and to the above Lease and the rent thereby reserved, except rent due and payable prior to _____________________, 20 _____.

________________________________(SEAL) ________________________________(SEAL)

________________________________(SEAL) ________________________________(SEAL)

State of ILLINOIS, County of COOK ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that

____

personally know to me to be the same person(s) whose name ____________________ subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge the they signed, sealed and delivered the said instrument as ____________ free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of right of homestead.

Given under my hand and official seal this _______________day of

_________________________________, 20_________.

Commission expires _____________________________, 20_____. ______________________________
Notary Public

Section V, Financial and Economic Feasibility Review
<u>Criterion 1125.800 Estimated Total Project Cost</u>

Financial Viablity

1. Pro forma financial statements for the first three fiscal years after the project completion are attached at Attachment -29.

2. Financial viability worksheets for the first three years after project completion are attached at Attachment – 29.

RESTORATIVE CARE INSTITUTE

Skilled Nursing Facility

CONSOLIDATED P & L

YEARS 1-3

	YEAR 1		YEAR 2		YEAR 3	
DAYS IN YEAR:	365		365		365	
AVAILABLE DAYS:	35,770		35,770		35,770	
ACTUAL BED DAYS:	18,546		32,850		33,733	
AVG. MONTHLY CENSUS:	90		90		93	
REVENUE:		% Revenue		% Revenue		% Revenue
PRIVATE	4,261,699	42.78%	7,801,502	34.74%	7,957,532	34.74%
MEDICARE	4,148,850	41.64%	7,801,502	34.74%	7,957,532	34.74%
MANAGED CARE	1,224,010	12.29%	6,170,873	27.48%	6,294,290	27.48%
TOTAL WELLNESS REVENUE	9,634,559	96.71%	21,773,876	96.96%	22,209,354	96.95%
PARKING	61,914	0.62%	112,363	0.50%	117,688	0.51%
COMMERCIAL SPACE	25,200	0.25%	25,704	0.11%	26,218	0.11%
OTHER	240,864	2.42%	544,347	2.42%	555,234	2.42%
TOTAL REVENUE	9,962,537	100.00%	22,456,290	100.00%	22,908,494	100.00%
EXPENSES:						
FIXED EXPENSES:						
INSURANCE	320,400	3.46%	326,806	2.43%	327,353	2.40%
PROPERTY TAX	276,000	2.98%	281,520	2.09%	281,989	2.07%
MISC.	14,400	0.16%	14,688	0.11%	14,712	0.11%
TOTAL FIXED COST	610,800	6.60%	623,016	4.63%	624,054	4.58%
VARIABLE COST:						
TOTAL PAYROLL	3,078,423	33.28%	3,833,247	28.51%	3,839,636	28.16%
PAYROLL TAX & BENEFITS	923,527	9.98%	1,149,974	8.55%	1,151,891	8.45%
LEGAL & PROFESSIONAL	81,060	0.88%	82,681	0.61%	82,819	0.61%
OFFICE / SUBSCRIPTION	348,384	3.77%	355,352	2.64%	355,944	2.61%
MAINTENANCE	112,440	1.22%	114,689	0.85%	114,880	0.84%
VEHICLE	16,920	0.18%	17,258	0.13%	17,287	0.13%
ACTIVITIES	18,000	0.19%	18,360	0.14%	18,391	0.13%
MARKETING	104,400	1.13%	106,488	0.79%	106,665	0.78%
HR	43,800	0.47%	44,676	0.33%	44,750	0.33%
CONSULTANTS	93,000	1.01%	94,860	0.71%	95,018	0.70%
UTILITIES (water/gas/ electric)	137,340	1.48%	140,087	1.04%	140,320	1.03%
AUDIT	8,700	0.09%	8,874	0.07%	8,889	0.07%
DIETARY	165,059	1.78%	298,212	2.22%	306,226	2.25%
LDRY / LINEN / HSK	32,626	0.35%	59,307	0.44%	60,902	0.45%
NURSING COSTS	2,865,172	30.97%	5,176,496	38.50%	5,315,639	38.99%
BED ASSESSMENT TAX	112,574	1.22%	199,400	1.48%	204,759	1.50%
MANAGEMENT FEE	498,127	5.38%	1,122,815	8.35%	1,145,425	8.40%
TOTAL VARIABLE COST	8,639,752	93.40%	12,822,776	95.37%	13,009,444	95.42%
TOTAL EXPENSE	9,250,552	100.00%	13,445,792	100.00%	13,633,498	100.00%
NET OPERATING INCOME	711,985	7.15%	9,010,498	40.12%	9,274,996	40.49%
REPLACE. RESERVE	99,625	1.00%	229,054	1.02%	233,667	1.02%
DEBT SERVICE (INTEREST)	1,674,766	16.81%	1,674,766	7.46%	1,674,766	7.31%
NET PROFIT BEFORE TAX	(1,062,406)	-10.66%	7,106,678	31.65%	7,366,563	32.16%

RESTORATIVE CARE INSTITUTE

Skilled Nursing Facility

INC. & EXP. SUM YR2

INCOME & EXPENSE SUMMARY

YEAR 1

		1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
	MONTH:													
DAYS IN MONTH:		31	28	31	30	31	30	31	31	30	31	30	31	
AVAILABLE DAYS:		3,038	2,744	3,038	2,940	3,038	2,940	3,038	3,038	2,940	3,038	2,940	3,038	35,770
ACTUAL BED DAYS:		186	336	558	720	1,116	1,380	1,798	2,108	2,340	2,604	2,610	2,790	18,546
AVG. MONTHLY CENSUS:		6	12	18	24	36	46	58	68	78	84	87	90	90
REVENUE:	PER UNIT													
PRIVATE	$655	40,600	73,342	121,800	157,162	243,600	314,323	406,001	487,201	550,066	609,001	609,001	649,601	4,261,699
MEDICARE	$638	39,525	71,400	118,575	153,000	237,150	306,000	395,250	474,300	535,500	592,875	592,875	632,400	4,148,850
MANAGED CARE	$221	13,723	24,790	41,169	53,122	82,338	92,953	123,508	137,231	146,084	164,677	166,005	178,400	1,224,010
TOTAL WELLNESS REVENUE		93,848	169,532	281,544	363,283	563,089	713,286	924,759	1,098,732	1,231,650	1,366,553	1,367,881	1,460,401	9,634,559
PARKING	$20	612	1,224	1,836	2,448	3,672	4,692	5,916	6,936	7,956	8,568	8,874	9,180	61,914
COMMERCIAL SPACE	$2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
OTHER	2.50%	2,346	4,238	7,039	9,082	14,077	17,832	23,119	27,468	30,791	34,164	34,197	36,510	240,864
TOTAL REVENUE		98,906	177,094	292,519	376,913	582,938	737,910	955,893	1,135,236	1,272,497	1,411,385	1,413,052	1,508,191	9,962,537
EXPENSES:														
FIXED EXPENSES:														
INSURANCE		26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	320,400
PROPERTY TAX		23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	276,000
MISC.		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
TOTAL FIXED COST		50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	50,900	610,800
VARIABLE COST:														
TOTAL PAYROLL		177,695	193,516	209,330	224,840	246,321	261,968	273,990	279,931	295,047	287,912	307,901	309,969	3,078,423
PAYROLL TAX & BENEFITS	30%	53,308	58,055	62,799	67,452	73,896	78,590	82,197	83,979	88,514	89,373	92,370	92,991	923,527
LEGAL & PROFESSIONAL		6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	81,060
OFFICE / SUBSCRIPTION		29,032	29,032	29,032	29,032	29,032	29,032	29,032	29,032	29,032	29,032	29,032	29,032	348,384
MAINTENANCE		9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	112,440
VEHICLE		1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,920
ACTIVITIES		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
MARKETING		8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	104,400
HR		3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	43,800
CONSULTANTS		7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
UTILITIES (water/gas/ electric)		11,445	11,445	11,445	11,445	11,445	11,445	11,445	11,445	11,445	11,445	11,445	11,445	137,340
AUDIT		725	725	725	725	725	725	725	725	725	725	725	725	8,700
DIETARY		1,655	2,990	4,966	6,408	9,932	12,262	16,002	18,761	20,826	23,176	23,229	24,831	165,059
LDRY / LINEN / HSK		329	595	988	1,274	1,975	2,443	3,182	3,731	4,142	4,609	4,620	4,938	32,826
NURSING COSTS		28,735	51,909	86,205	111,233	172,411	213,196	277,773	325,665	361,507	402,292	403,219	431,027	2,865,172
BED ASSESSMENT TAX		1,129	2,040	3,387	4,370	6,774	8,377	10,914	12,796	14,204	15,806	15,843	16,935	112,574
MANAGEMENT FEE	5.00%	4,945	8,855	14,626	18,846	29,147	36,896	47,795	56,762	63,625	70,569	70,653	75,410	498,127
TOTAL VARIABLE COST		348,134	398,299	462,639	514,760	620,794	694,088	792,191	861,962	928,202	984,074	998,171	1,036,438	8,639,752
TOTAL EXPENSE		399,034	449,199	513,539	565,660	671,694	744,988	843,091	912,862	979,102	1,034,974	1,049,071	1,087,338	9,250,552
NET OPERATING INCOME		(300,128)	(272,104)	(221,020)	(188,747)	(88,756)	(7,078)	112,803	222,374	293,396	376,411	363,981	420,853	711,985
REPLACE. RESERVE	1.0%	989	1,771	2,925	3,769	5,829	7,379	9,559	11,352	12,725	14,114	14,131	15,082	99,625
DEBT SERVICE (INTEREST)		139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	1,674,766
NET PROFIT BEFORE TAX		(440,681)	(413,439)	(363,509)	(332,080)	(234,149)	(154,021)	(36,320)	71,458	141,107	222,733	210,287	266,207	(1,062,406)

RESTORATIVE CARE INSTITUTE
Skilled Nursing Facility

INC. & EXP. SUM YR2

INCOME & EXPENSE SUMMARY
YEAR 2

		13	14	15	16	17	18	19	20	21	22	23	24	TOTAL
	MONTH:													
DAYS IN MONTH:		31	28	31	30	31	30	31	31	30	31	30	31	
AVAILABLE DAYS:		3,038	2,744	3,038	2,940	3,038	2,940	3,038	3,038	2,940	3,038	2,940	3,038	35,770
ACTUAL BED DAYS:		2,790	2,520	2,790	2,700	2,790	2,700	2,790	2,790	2,700	2,790	2,700	2,790	32,850
AVG. MONTHLY CENSUS:		90	90	90	90	90	90	90	90	90	90	90	90	90
REVENUE:	PER UNIT													
PRIVATE	$668	662,593	598,471	662,593	641,219	662,593	641,219	662,593	662,593	641,219	662,593	641,219	662,593	7,801,502
MEDICARE	$650	662,593	598,471	662,593	641,219	662,593	641,219	662,593	662,593	641,219	662,593	641,219	662,593	7,801,502
MANAGED CARE	$226	524,102	473,382	524,102	507,195	524,102	507,195	524,102	524,102	507,195	524,102	507,195	524,102	6,170,873
TOTAL WELLNESS REVENUE		1,849,288	1,670,325	1,849,288	1,789,634	1,849,288	1,789,634	1,849,288	1,849,288	1,789,634	1,849,288	1,789,634	1,849,288	21,773,876
PARKING	$21	9,364	9,364	9,364	9,364	9,364	9,364	9,364	9,364	9,364	9,364	9,364	9,364	112,363
COMMERCIAL SPACE	$2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	25,704
OTHER	2.50%	46,232	41,758	46,232	44,741	46,232	44,741	46,232	46,232	44,741	46,232	44,741	46,232	544,347
TOTAL REVENUE		1,907,026	1,723,588	1,907,026	1,845,880	1,907,026	1,845,880	1,907,026	1,907,026	1,845,880	1,907,026	1,845,880	1,907,026	22,456,290
EXPENSES:														
FIXED EXPENSES:														
INSURANCE		27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	326,808
PROPERTY TAX		23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	281,520
MISC.		1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	14,688
TOTAL FIXED COST		51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	623,016
VARIABLE COST:														
TOTAL PAYROLL		319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	3,833,247
PAYROLL TAX & BENEFITS	30%	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	1,149,974
LEGAL & PROFESSIONAL		6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	82,681
OFFICE / SUBSCRIPTION		29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	355,352
MAINTENANCE		9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	114,689
VEHICLE		1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	17,258
ACTIVITIES		1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	18,360
MARKETING		8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	106,488
HR		3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	44,676
CONSULTANTS		7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	94,860
UTILITIES (water/gas/ electric)		11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	140,087
AUDIT		740	740	740	740	740	740	740	740	740	740	740	740	8,874
DIETARY		25,328	22,877	25,328	24,511	25,328	24,511	25,328	25,328	24,511	25,328	24,511	25,328	298,212
LDRY / LINEN / HSK		5,037	4,550	5,037	4,875	5,037	4,875	5,037	5,037	4,875	5,037	4,875	5,037	59,307
NURSING COSTS		439,648	397,101	439,648	425,465	439,648	425,465	439,648	439,648	425,465	439,648	425,465	439,648	5,176,496
BED ASSESSMENT TAX		16,935	15,296	16,935	16,389	16,935	16,389	16,935	16,935	16,389	16,935	16,389	16,935	199,400
MANAGEMENT FEE	5.00%	95,351	86,179	95,351	92,294	95,351	92,294	95,351	95,351	92,294	95,351	92,294	95,351	1,122,815
TOTAL VARIABLE COST		1,079,511	1,023,215	1,079,511	1,060,746	1,079,511	1,060,746	1,079,511	1,079,511	1,060,746	1,079,511	1,060,746	1,079,511	12,822,776
TOTAL EXPENSE		1,131,429	1,075,133	1,131,429	1,112,664	1,131,429	1,112,664	1,131,429	1,131,429	1,112,664	1,131,429	1,112,664	1,131,429	13,445,792
NET OPERATING INCOME		775,597	648,455	775,597	733,216	775,597	733,216	775,597	775,597	733,216	775,597	733,216	775,597	9,010,498
REPLACE. RESERVE	1.02%	19,452	17,581	19,452	18,828	19,452	18,828	19,452	19,452	18,828	19,452	18,828	19,452	229,054
DEBT SERVICE (INTEREST)		139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	1,674,766
NET PROFIT BEFORE TAX		616,581	491,311	616,581	574,824	616,581	574,824	616,581	616,581	574,824	616,581	574,824	616,581	7,106,676

RESTORATIVE CARE INSTITUTE
Skilled Nursing Facility

INC. & EXP. SUM YR2

INCOME & EXPENSE SUMMARY
YEAR 2

	MONTH:	25	26	27	28	29	30	31	32	33	34	35	36	TOTAL
DAYS IN MONTH:		31	28	31	30	31	30	31	31	30	31	30	31	
AVAILABLE DAYS:		3,038	2,744	3,038	2,940	3,038	2,940	3,038	3,038	2,940	3,038	2,940	3,038	35,770
ACTUAL BED DAYS:		2,852	2,576	2,852	2,760	2,852	2,760	2,852	2,883	2,790	2,883	2,790	2,883	33,733
AVG. MONTHLY CENSUS:		92	92	92	92	92	92	92	93	93	93	93	93	93
REVENUE:	PER UNIT													
PRIVATE	$681	675,845	610,441	675,845	654,044	675,845	654,044	675,845	675,845	654,044	675,845	654,044	675,845	7,957,532
MEDICARE	$663	675,845	610,441	675,845	654,044	675,845	654,044	675,845	675,845	654,044	675,845	654,044	675,845	7,957,532
MANAGED CARE	$230	534,584	482,850	534,584	517,339	534,584	517,339	534,584	534,584	517,339	534,584	517,339	534,584	6,294,290
TOTAL WELLNESS REVENUE		1,886,274	1,703,731	1,886,274	1,825,426	1,886,274	1,825,426	1,886,274	1,886,274	1,825,426	1,886,274	1,825,426	1,886,274	22,209,354
PARKING	$21	9,763	9,763	9,763	9,763	9,763	9,763	9,763	9,869	9,869	9,869	9,869	9,869	117,688
COMMERCIAL SPACE	$2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	2,185	26,218
OTHER	2.50%	47,157	42,593	47,157	45,636	47,157	45,636	47,157	47,157	45,636	47,157	45,636	47,157	555,234
TOTAL REVENUE		1,945,379	1,758,272	1,945,379	1,883,010	1,945,379	1,883,010	1,945,379	1,945,485	1,883,116	1,945,485	1,883,116	1,945,485	22,908,494
EXPENSES:														
FIXED EXPENSES:														
INSURANCE		27,779	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	27,234	327,353
PROPERTY TAX		23,929	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	23,460	281,989
MISC.		1,248	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	14,712
TOTAL FIXED COST		52,956	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	51,918	624,054
VARIABLE COST:														
TOTAL PAYROLL		325,826	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	319,437	3,839,636
PAYROLL TAX & BENEFITS	30%	97,748	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	95,831	1,151,891
LEGAL & PROFESSIONAL		7,028	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	6,890	82,819
OFFICE / SUBSCRIPTION		30,205	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	29,613	355,944
MAINTENANCE		9,749	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	9,557	114,880
VEHICLE		1,467	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	17,287
ACTIVITIES		1,561	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	18,391
MARKETING		9,051	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	8,874	106,665
HR		3,797	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	44,750
CONSULTANTS		8,063	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	7,905	95,018
UTILITIES (water/gas/ electric)		11,907	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	140,320
AUDIT		754	740	740	740	740	740	740	740	740	740	740	740	8,889
DIETARY		25,890	23,385	25,890	25,055	25,890	25,055	25,890	26,172	25,328	26,172	25,328	26,172	306,228
LDRY / LINEN / HSK		5,149	4,651	5,149	4,983	5,149	4,983	5,149	5,205	5,037	5,205	5,037	5,205	60,902
NURSING COSTS		449,418	405,926	449,418	434,920	449,418	434,920	449,418	454,303	439,648	454,303	439,648	454,303	5,315,639
BED ASSESSMENT TAX		17,312	15,636	17,312	16,753	17,312	16,753	17,312	17,500	16,935	17,500	16,935	17,500	204,759
MANAGEMENT FEE	5.00%	97,269	87,914	97,269	94,150	97,269	94,150	97,269	97,274	94,156	97,274	94,156	97,274	1,145,425
TOTAL VARIABLE COST		1,102,194	1,034,723	1,092,250	1,073,074	1,092,250	1,073,074	1,092,250	1,097,666	1,078,316	1,097,666	1,078,316	1,097,666	13,009,444
TOTAL EXPENSE		1,155,150	1,086,641	1,144,168	1,124,992	1,144,168	1,124,992	1,144,168	1,149,584	1,130,234	1,149,584	1,130,234	1,149,584	13,633,498
NET OPERATING INCOME		790,228	671,631	801,211	758,018	801,211	758,018	801,211	795,901	752,882	795,901	752,882	795,901	9,274,996
REPLACE. RESERVE	1.02%	19,843	17,934	19,843	19,207	19,843	19,207	19,843	19,844	19,208	19,844	19,208	19,844	233,667
DEBT SERVICE (INTEREST)		139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	139,564	1,674,766
NET PROFIT BEFORE TAX		630,822	514,133	641,804	599,247	641,804	599,247	641,804	636,493	594,111	636,493	594,111	636,493	7,366,563

IV. BUDGETED BALANCE SHEET

Current Assets

Cash on Hand and in Banks	$250,000.00	$250,000.00	$250,000.00	$250,000.00
Cash - Patient Deposits	$0.00	$0.00	$0.00	$0.00
Accounts and Short-Term Notes Receivable - Patients (less allowance 7500-25000)	$361,500.00	$740,000.00	$935,000.00	$930,000.00
Supply Inventory (priced at COST)	$10,000.00	$15,000.00	$20,000.00	$25,000.00
Short-term Investments	$0.00	$0.00	$5,170,202.00	$12,608,600.00
Pre-paid Expenses	$160,200.00	$326,808.00	$327,353.00	$328,000.00
Accounts Receivable (Owners or Related Parties)	$0.00	$0.00	$0.00	$0.00
Other (Specify) ESCROWS	$202,500.00	$78,192.00	$84,839.00	$115,319.00
Other (Specify) RESERVES	$688,264.00	$1,276,264.00	$3,148,784.00	$3,382,451.00
Total Current Assets	$1,672,464.00	$2,686,264.00	$9,936,178.00	$17,639,370.00

IV. BUDGETED BALANCE SHEET - CONTINUED

	First Six Months	Second Six Months	Second Year	Third Year
Long-Term Assets				
Long-Term Notes Receivable	$0.00	$0.00	$0.00	$0.00
Long-Term Investments	$0.00	$0.00	$0.00	$0.00
Land	$4,800,000.00	$4,800,000.00	$4,800,000.00	$4,800,000.00
Buildings, at Historical Cost	$27,317,859.00	$27,317,859.00	$27,317,859.00	$27,317,859.00
Equipment, at Historical Cost	$800,384.00	$800,384.00	$800,384.00	$800,384.00
Accumulated Amortization ('-' for negative)	-$576,726.00	-$1,153,452.00	-$2,306,904.00	-$3,460,356.00
Deferred Charges	$295,510.00	$295,510.00	$295,510.00	$295,510.00
Organization and Pre-Operating Costs				
Accumulate Amortization, Organization and Pre-Operating Costs	-$5,910.00	-$11,820.00	-$23,640.00	-$35,460.00
Restricted Funds	$0.00	$0.00	$0.00	$0.00
Other Long-Term Assets (Specify)				
Other (Specify)				
Total Long-Term Assets	$32,631,117.00	$32,048,481.00	$30,883,209.00	$29,717,937.00
TOTAL ASSETS	$34,303,581.00	$34,734,745.00	$40,819,387.00	$47,357,307.00

Current Liabilities

Accounts Payable	$277,000.00	$342,000.00	$358,000.00	$375,000.00
Officer's Accounts Payable	$0.00	$0.00	$0.00	$0.00
Patient Deposits				
Short-Term Notes Payable	$0.00	$0.00	$0.00	$0.00
Accrued Salaries Payable	$170,000.00	$201,000.00	$208,000.00	$220,000.00
Accrued Taxes Payable (Excluding Real Estate Taxes)	$0.00	$0.00	$0.00	$0.00
Accrued Real Estate Taxes	$240,000.00	$276,000.00	$281,520.00	$281,989.00
Accrued Interest Payable	$98,560.00	$97,427.00	$95,087.00	$92,642.00
Deferred Compensation	$0.00	$0.00	$0.00	$0.00
Federal & State Income Tax	$0.00	$0.00	$0.00	$0.00
Other Current Liabilities (Specify)				
CURRENT PORTION - MORTGAGE	$630,809.00	$644,676.00	$673,331.00	$703,260.00
Total Current Liabilities	$1,416,369.00	$1,561,103.00	$1,615,938.00	$1,672,891.00

IV. BUDGETED BALANCE SHEET - CONTINUED

	First Six Months	Second Six Months	Second Year	Third Year
Long-Term Liabilities				
Long-Term Notes Payable	$0.00	$0.00	$0.00	$0.00
Mortgage Payable	$26,515,730.00	$26,189,887.00	$25,516,556.00	$24,813,297.00
Bonds Payable	$0.00	$0.00	$0.00	$0.00
Deferred Compensation	$0.00	$0.00	$0.00	$0.00
Other Long-Term Liabilities (Specify)	$0.00	$0.00	$0.00	$0.00
Total Long-Term Liabilities	$26,515,730.00	$26,189,887.00	$25,516,556.00	$24,813,297.00
TOTAL LIABILITIES	$27,932,099.00	$27,750,990.00	$27,132,494.00	$26,486,188.00
SUMMARY				
Total Equity	$6,371,482.00	$6,983,755.00	$13,686,893.00	$20,871,119.00
Total Liabilities and Equity	$34,303,581.00	$34,734,745.00	$40,819,387.00	$47,357,307.00

V. OTHER INFORMATION

Financial Viability Ratios

	Standard	Year 1	Year 2	Year 3
Current Ratio				
Current Assets		$2,686,264	$9,936,178	$17,639,370
Current Liabilities		$1,561,103	$1,615,938	$1,672,891
Current Ratio	**1.5**	**1.7**	**6.1**	**10.5**
Net Margin Percentage				
Net Income		$711,985	$9,010,489	$9,274,996
Net Operating Revenues		$9,962,537	$22,456,290	$22,908,494
Net Margin Percentage	**3.5%**	**7.1%**	**40.1%**	**40.5%**
Long-Term Debt to Capitalization				
Long-Term Debt		$26,189,887	$25,516,556	$24,813,297
Equity		$6,983,755	$13,686,893	$20,871,119
Long-Term Debt to Capitalization	**80%**	**79%**	**65%**	**54%**
Projected Debt Service Coverage				
Net Income		$711,985	$9,010,489	$9,274,996
Depreciation/Amortization		$1,153,452	$1,153,452	$1,153,452
Interest Expense		$1,674,766	$1,674,766	$1,674,766
Interst Expense and Principal Payments		$1,800,823	$1,800,823	$1,800,823
Projected Debt Service Coverage	**1.75**	**1.97**	**6.57**	**6.72**
Days Cash on Hand				
Cash		$250,000	$250,000	$250,000
Investments		$0	$0	$0
Board Designated Funds		$0	$0	$0
Operating Expense		$8,639,752	$12,822,776	$13,009,444
Depreciation		$1,153,452	$1,153,452	$1,153,452
Days Cash on Hand	**45 days**	**12**	**8**	**8**
Cushion Ratio				
Cash		$250,000	$250,000	$250,000
Investments		$0	$0	$0
Board Designated Funds		$1,276,264	$3,148,784	$3,382,451
Interest Expense and Principal Payments		$1,800,823	$1,800,823	$1,800,823
Cushion Ratio	**3.0**	**0.8**	**1.9**	**2.0**

Section V, Financial and Economic Feasibility Review
Criterion 1125.800 Estimated Total Project Cost

Economic Feasibility

A. Reasonableness of Financing Arrangements

Attached at Attachment – 30A is a letter from Restorative Care Institute, LLC and 50 Huron Properties, LLC certifying that the estimated project costs and related costs will be funded in total or in part by borrowing.

B. Conditions of Debt Financing – Letters from

Attached at Attachment – 30A is a letter from Restorative Care Institute, LLC and 50 Huron Properties, LLC certifying that the selected form of debt financing will be the lowest cost available.

C. Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
CLINICAL									
Nursing	$266.41	$266.41	15,244		17,895		$4,061,140	$4,767,391	$8,828,531
Living/Dining	$266.41	$266.41	942		1,105		$250,957	$294,382	$545,339
Kitchen/Food Service	$266.41	$266.41	506		594		$134,803	$158,247	$293,050
Rehabilitation	$266.41	$266.41	1,138		1,336		$303,174	$355,922	$659,096
Clean/Soiled Utility	$266.41	$266.41	819		962		$218,189	$256,286	$474,475
Contingency	$26.64	$26.64	18,649		21,892		$496,826	$583,223	$1,080,049
TOTAL CLINICAL	**$293.05**	**$293.05**	**18,649**		**21,892**		**$5,465,089**	**$6,415,451**	**$11,880,540**
NON-CLINICAL									
Administrative	$190.96	$190.96	754		886		$143,983	$169,190	$313,173
Employee Lounge/Lockers	$190.96	$190.96	794		933		$151,622	$178,165	$329,787
Mechanical/ Electrical	$190.96	$190.96	752		882		$143,601	$168,426	$312,027
Lobby	$190.96	$190.96	1,042		1,223		$198,980	$233,543	$432,523
Storage/ Maintenance	$190.96	$190.96	92		108		$17,568	$20,624	$38,192

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Corridors/Public Toilets	$190.96	$190.96	6,554		7,694		$1,251,547	$1,469,241	$2,720,788
Stairs/Elevator	$190.96	$190.96	2,869		3,367		$547,862	$642,960	$1,190,822
Housekeeping	$190.96	$190.96	198		232		$37,810	$44,303	$82,113
Parking	$190.96	$190.96	4,832		5,673		$922,715	$1,083,312	$2,006,027
Building Structural Elements	$190.96	$190.96	1,690		1,984		$322,721	$378,863	$701,584
Contingency	$19.10	$19.10	19,577		22,982		$373,841	$438,863	$812,704
TOTAL NON - CLINICAL	**$210.06**	**$210.06**	**19,577**		**22,982**		**$4,112,250**	**$4,827,490**	**$8,939,740**
TOTALS	**$250.55**	**$250.54**	**38,226**		**44,874**		**$9,577,339**	**$11,242,941**	**$20,820,280**
* Include the percentage (%) of space for circulation									

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	**State Standard**	**Above/Below State Standard**
Site Survey and Preparation	$634,000	1.8% x (New Construction Contracts + Contingencies + Major Medical Equipment = 5% x ($10,800,491 + $1,080,049 + $800,383)= 5% x $12,680,923 = $634,046.15	Below State Standard
New Construction Contracts + Contingencies	$11,880,540	$293.05 x clinical gross square footage = $293.05 x 40,541 = $11,880,540	Meets State Standard
Contingencies	$1,080,049	10% x New Construction Contracts = 10% x $ 10,800,491 = $1,080,049.10	Meets State Standard
Architectural/Engineering Fees	$775,889	5.76% - 8.66% x (New Construction Contracts + Contingencies) = 5.76% - 8.66% x ($10,800,491 + $1,080,049) = 5.76% - 8.66% x $11,880,540 = $684,319 - $1,028,855	Meets State Standard

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
Consulting and Other Fees	$579,187	No State Standard	No State Standard
Moveable or Other Equipment (not in construction contracts)	$800,383	$9,534 per bed = $9,534 x 98 beds = $934,332	Below State Standard
Net Interest Expense During Construction	$348,143	No State Standard	No State Standard
Other Costs to be Capitalized	$1,489,438	No State Standard	No State Standard
Acquisition of Building or Other Property (excluding land)	$2,341,718	No State Standard	No State Standard

D. Projected Operating Costs:

Operating Expenses: $ 9,250,552 (YEAR 1 projections)

Resident Days: 32,400

Operating Expense per Resident Days: $285.51

E. Total Effect of the Project on Capital Costs:

Total Capital Costs: $1,674,766

Resident Days: 32,400

Capital Costs per Resident Days: $51.69

May 14, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Savage:

Pursuant to 77 Ill. Admin Code §1125.800, I hereby certify that the total estimated project costs and related costs will be funded in total by cash and mortgage debt because a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times or borrowing is less costly than the liquidation of existing investments.

I further certify pursuant to 77 Ill. Admin. Code §1120.140 (b) that the selected form of debt financing for the project will be the lowest net cost available.

Sincerely,

Michael J. Hamblet, Jr.
Manager
Restorative Care Institute, LLC
d/b/a Restorative Care Institute
50 Huron Properties, LLC

Subscribed and sworn to me
This ___ day of ____________, 2020

____
Notary Public

73581621.1

Appendix I – Referral Letters

Attached as Appendix 1 are referral letters from hospitals, physicians and social services agencies in support of the establishment of Restorative Care Institute

Care Patrol
Safer Senior Living. *Your Goal, Our Mission.*

To: The Illinois Licensing Board:

This letter is in support of Mr. Hamblet and his proposed 84 bed facility.

As a Senior Care Consultant with Care Patrol, I work with a significant amount of senior clients and families in need of various types of care throughout Chicago. I receive a large number of calls and emails from families in need of short rehab requiring high acuity care including searching for a ventilator facility that can treat their immediate needs and hopefully get them home or on to the next level of care.

With the proposed facility being built in Chicago, this will help my clients requiring those services. I will be glad to refer the one`s I identify in need to Mr. Hamblet`s proposed rehab facility.

Sincerely,

Eric Klein

Eric Klein
Senior Care Consultant

Care Patrol Chicago North Shore
310 Busse Highway #352
Park Ridge, IL 60068
847.653.1212
erick@carepatrol.com

CHARISM ELDER CARE SERVICES — Charism (kar'iz'əm) n. from Greek, Kharis/Charis: gift, favor, protection, life power.

June 16, 2020

Illinois Heath Facilities and Services Review Board
515 W Jefferson Street
Second Floor
Springfield, IL 62761

Dear Sir:

I am writing in support of Mitch Hamblet's certificate of need (CON) for a skilled nursing facility on Michigan Avenue near Water Tower Place in Chicago, IL. Mr. Hamblet has many years of experience in the management of senior facilities and understands the needs and challenges of this segment of the population.

As a nurse clinician who is also a geriatric care manager, advocate and navigator, I am frequently tasked with assisting seniors, their families and discharge planners with institutional placement decisions. The area near Water Tower Place is currently under bedded. It is often difficult to find adequate and appropriate placement for the needs of the senior population.

The proposed facility will be a high rise with 84 beds in total. Each floor will have 14 beds which is advantageous due to being compact which enhances staffing needs and resident interaction. These are important elements for the anticipated acuity of the residents to be admitted. The proposed facility is near Northwestern Hospital for the convenience of discharge planning and timely access to acute care when residents have urgent or emergent needs.

The clinical services will include:

- Short term Medicare A physical rehabilitation;
- Ventilator care and management;
- Wound care – delivered by an interdisciplinary team;
- Isolation capability with private rooms;
- Dual licensure for both Medicare and Medicaid residents;
- Access to the resources of a teaching hospital within walking distance.

As a clinician and consultant in the senior and disabled individual market, I support the addition of a facility like this to the Chicago market.

Thank you for your consideration.

Sincerely,

Margaret Chizek

Margaret Chizek, RN, FNP, BSN, MBA, AAS
Charism Eldercare Services

1320 Cass Lane West • No. 202 • Westmont, IL 60559 TELEPHONE: 630.515.9223 FACSIMILE: 630.515.5066 WEBSITE: www.charism.net

Elite Rehabilitation & Care Management
9116 Karlov Avenue
Skokie, IL 60076

June 21, 2020

To the Illinois Health Services Licensing Board,

I am writing to you in support of the 84-bed facility proposed to the board by Mr. Hamblet.

My name is Elline Eliasoff. I am a Geriatric Care Manager and I have been assisting older adults with their care for the past 30 years. My experience includes acute care, sub-acute care and home health. Presently, I am working with a number of care facilities throughout the Chicagoland area.

As a Care Manager and a Patient Advocate for a wide variety of clients with different care needs, the proposed facility fills a care void and is greatly needed in the City of Chicago. I recently had an occasion to work with a 61-year-old female who contracted a pulmonary fungus while hiking in Arizona. She spent several months at both Northwestern Hospital and University of Chicago Hospital. At the time of her last hospital discharge, she needed a long-term acute care facility that was equipped with ventilators. The options available in the City of Chicago were very limited. The few facilities located in the city, which offered respiratory care or were able to provide ventilators, were sub optimal to me and to the family. The reputations of the facilities and the subjective experiences of other care managers made placement in those facilities undesirable. The client, who was a resident of Chicago, transferred to RML in Hinsdale, which made it a significant commute for her husband and children. The client, the family, and her paid care team would have had less hardship if there had been in the city an acceptable option for post-hospitalization respiratory care. As you may know, taking a client home on a ventilator is not an option for most patients.

I would also ask the board to consider the long-term effects of COVID-19. It is clear we have plenty to learn regarding COVID-19, but we do know that one of the major hurdles to recovery is pulmonary health and long-term pulmonary damage care. Ventilator-equipped facilities are and will continue to be needed, the same as facilities that can provide sub-acute care, wound care and rehabilitation.

I recently placed a client in one of Mr. Hamblet's communities, Eden's Supportive Living. The experience for both the client and me was very positive! The client, who was unhappy to leave his independent living apartment, was warmly greeted and the staff worked hard to help him get acclimated and entrenched into the community. The facility is well run, clean, and the staff is responsive, kind and professional. Given my experience with Eden's Supportive Living, I would be happy to refer clients to this proposed community facility.

Please feel free to reach out to me with any questions.

Sincerely,

Elline Eliasoff

Elline Eliasoff, GCM
Geriatric Care Manager
847-962-9155

#20-033

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS