

Ground Lease Letter of Intent (LOI) between
Village of Orland Park (VOP) and University of Chicago Medical Center (UCMC)

April 30, 2015

Main Street Triangle:

Approximately 27-acre area located (at the northwest corner of 143rd Street and LaGrange Road in the Village of Orland Park, Illinois that is owned or controlled by the Village of Orland Park for the purposes of promoting mixed-use retail, commercial and residential development.

Premises:

Approximately 2.39 acres located within the Main Street Triangle at the northwest corner of LaGrange Road and 143rd Street, per the attached Site Plan

Development Overview:

Within the Premises, and at its sole expense, UCMC will develop a multi-story, multi-tenant Ambulatory Care Center up to 120,000 gsf and four (4) floors with associated drive-thru (the "Building") and an estimated 211 surface parking spaces located immediately north of and adjacent to the Building (the "Surface Spaces"). The Village understands that UCMC intends to phase the build-out of the fourth floor beyond the initial opening. It is expected that the build-out of the fourth floor will commence in 2018 or later.

Additionally, concurrent with the development of the Building and Surface Spaces, VOP will undertake the design, entitlement and construction of at least 513 space above-grade parking structure located west of Jefferson Avenue (the "Garage"). The Garage shall be designed to allow for the potential construction of retail commercial space on the first floor.

UCMC shall contribute \$11.2 million towards the hard and soft costs for the site work and parking improvements associated with the 211 surface spaces located north of the Building and for the site improvements on the UCMC site (currently estimate to cost approximately \$2.2M – see Exhibit A for a description of this work) and Parking Garage located west of Jefferson Avenue . It is understood that any costs varying from \$11.2 million for the Surface Spots and the Parking Garage shall not alter UCMC contribution. During ground lease negotiations, both parties shall mutually agree upon a payment schedule for UCMC's contribution. It is understood that UCMC's payments to the Village shall be made in stages which shall occur on the completion of mutually agreed upon construction milestones. The Village of Orland Park shall contribute at any additional funds (if required) towards the above Surface Parking (including associated site work) and Parking Garage (including associated site work).

The general terms and conditions under which the Garage will be developed are outlined in the Parking Section of this Letter of Intent. Both Parties acknowledge, however, that additional details that will govern the design, development and future operation of the Garage still need to be reviewed and finalized by both Parties.

As such, over the next sixty (60) days, both Parties will endeavor to further define the terms and conditions associated with the development of the Garage with an understanding that by the end of this sixty (60) time period, the Parties will have entered into a separate Letter of Intent for the development of the Garage (the Garage Letter of Intent).

It is expressly acknowledged by both Parties that finalization of the Garage Letter of Intent does not need to be completed prior to UCMC being permitted to submit its Premises and Building development plans to the Village of Orland Park for review and approval.

Ground Lessor:

The Village of Orland Park, Illinois

Ground Lessee:

University of Chicago Medical Center

Ground Lease Term:

The Ground Lease Term shall be 25 years from the sooner of the building opening for treatment of patients, or as specified in the Ground Lease Rent Commencement below.

Ground Lease Commencement:

Ground Lease commencement shall occur upon mutual execution of the Ground Lease by both parties.

Ground Lease Rent Commencement:

Provided Ground Lessee is diligently pursuing entitlements, preparing construction plans or constructing improvements on the Premises, Rent Commencement shall occur thirty (30) days following the latter of (i) receipt of a Permanent (or conditional) Certificate of Occupancy from the Village for the building and (ii) any other approvals, regulatory or otherwise, necessary for the occupancy of the Building and the delivery of services to the public by the tenant(s). The Ground Lease shall contain reasonable hurdle dates to obtain these approvals.

Annual Rent:

The ground rental rate for the Premises shall begin with the Rent Commencement Date according to the following schedule:

Years 1-15: \$770,000/yr.

Years 16-25: \$750,000 in year 16 and reduced by \$20,000 annually through year 25
Rent shall be paid in equal monthly installments.

Change in Tax Exempt Status:

In the event real estate taxes are imposed on the leasehold estate or any portion of the Premises occupied by Ground Lessee or other tax exempt entities, Ground Lessee's annual rent payments shall be adjusted after the 3rd year. During the TIF years, the annual payments to the Village of Orland Park schedule provided in the Section above entitled "Annual Rent" would be as follows: The greater of (a) \$250,000 or (b) \$250,000 plus [(Annual Rent less \$250,000) less (Village income from taxes paid by Ground Lessee) multiplied by 50%]. Post TIF years, the payments to the Village of Orland Park schedule would be as follows, \$250,000 plus [(Annual Rent less \$250,000 less Village income from taxes paid by Ground Lessee) multiplied by 50%]. Notwithstanding above, in no event shall annual lease payments be less than \$250,000.

TIF Formula:

$$\begin{aligned} & \$250,000 \\ & + ((\text{Annual Rent} - \$250,000) - (\text{RET} \times .75)) \times .50 \end{aligned}$$

= Adjusted Lease Payment

Post-TIF Formula:

$$\begin{aligned}
 & \$250,000 \\
 + & (\text{Annual Rent} - \$250,000 - \text{VRET}) \times .50 \\
 = & \text{Adjusted Lease Payment}
 \end{aligned}$$

Expiration of Ground Lease:

Following expiration of Ground Lease, title to the Premises shall transfer to Ground Lessee without any additional payments to Ground Lessor.

Premises Expenses:

Ground Lessee shall be responsible for maintaining and insuring all the improvements on its share of the Surface Parking (estimated to be 205 spaces) and the Building. This obligation is exclusive of the Retail Pad area and the Retail Pad's surface parking spaces.

Premises Delivery Dates:

Ground Lessor shall deliver the Premises to Ground Lessee in a manner that complies with the Delivery Conditions outlined below as soon as reasonably viable (the Delivery Date). VOP shall present UCMC a preliminary timeline three weeks from the execution of this letter of intent that outlines each Delivery Condition component. VOP understands time is of the essence in this matter, and UCMC's ability to start construction this year is a material consideration in agreeing to these terms.

Delivery Conditions:

The Premises shall be delivered to the Ground Lessee in pad-ready condition, free and clear of all construction debris, with all utilities (water, storm sewer, sanitary sewer, natural gas, electric) stubbed within five (5') feet of the Premises at a location and size reasonably determined by Ground Lessee by the Delivery Date. UCMC and VOP understand that it may be impractical for VOP to deliver certain Delivery Condition components and will work to establish reasonable timelines for the installation of those components such that UCMC is not materially impacted. The Premises shall be delivered to the Ground Lessee by the Village in compliance with all applicable environmental laws and regulations consistent with and permitting the development of the intended use of the property as a medical facility and retail establishment. Any physical remediation that may be necessary to permit the development of Ground Lessee's intended use shall be performed by Ground Lessor prior to the Premises Delivery Date.

Within three weeks of execution of this letter of intent, UCMC and Village shall agree on procedure and process to handle any environmental remediation.

Upon a mutually agreeable date, but in no event later than Ground Lessee's intended occupancy date, the Village will install Jefferson Street from 142nd Street to 143rd and parking structure frontage road between Jefferson and Ravinia which will allow access points to the Premises at mutually agreeable areas.

During the Ground Lease Term and all extensions thereof, all storm water management detention and retention for the Premises shall be provided and maintained off-site by the Ground Lessor, at its sole cost and expense provided Lessee adds no additional burden to the system other than the intended use

as described above. At Ground Lessee's election, Ground Lessor shall be a co-applicant along with UCMC, for securing MWRD permits necessary for the development of Building. Notwithstanding the above, Ground Lessee shall be responsible for the costs of connecting its storm water discharge to the existing storm-water management system that serves the Village's Main Street Triangle area. This assumes that connection will be made within Jefferson Street in a mutually agreed location no further than 5' from Premises property line.

Any current or future costs related to increasing the capacity of the existing storm water management system servicing the Premises and the Main Street Triangle area due to the development of the proposed Building and improvements shall be borne by the Ground Lessor at its sole cost and expense and shall not be transferred to Ground Lessee through tap-in fees, recapture fees or special assessments, provided Lessee adds no additional burden to the system other than the intended use described above. Following expiration of the Ground Lease, UCMC shall retain rights to utilize the storm water management system.

In the event that either party defaults, defaulting party will reimburse the other non-defaulting party for all out of pocket costs spent in architecture, planning, zoning and consultants associated with development of the ambulatory project. These costs will be more defined and capped during ground lease negotiations.

Exclusivity:

Subject to the rights of any pre-existing leases, so long as Ground Lessee is delivering healthcare related service at the Building, then Ground Lessor will restrict and prohibit the delivery of medical and pharmacy related services on any property within the Main Street Triangle area. This provision shall not apply to small storefront medical practitioners such as an eye doctor, dentist, chiropractor, psychiatrist, or similar healthcare related user which is not materially competing with UCMC and provided such use does not exceed 5,000 square feet and is not part of a competing medical system such as Advocate.

Notwithstanding the above, if UCMC is not offering a particular healthcare related service, then Village shall be permitted to provide notice to UCMC that unless UCMC commences providing that particular service at the Premises within twelve (12) months of notice, then Village shall be permitted to lease space within the Triangle to another entity for purposes of providing that healthcare service and no other service.

Site Access:

Following Ground Lease Commencement, and at its sole expense and liability, Ground Lessee shall be granted access to the Premises to begin site work and development-related activities.

Municipal Approvals:

While formal site plan and design approval will need to be secured by the Ground Lessee, the Village of Orland Park, by virtue of entering into a Ground Lease agreement for the Development, will acknowledge that it is conceptually supportive of the services to be located within the Building (including drive-thru services) and the size and scope of the Building planned for the Premises, the number of parking spaces being provided, and the generally proposed site plan including the movement of Jefferson Street approximately 16' to the west. Ground Lessee acknowledges that it is conceptually supportive of a mixed-use development concept that the Village desires for the Main Street Triangle and that reasonable shared parking (including provisions of off-site parking) is a critical feature.

In order to preserve the original project schedule, Ground Lessor shall permit the zoning approval and permitting process for the development of the Premises, Building and Surface Spaces to be separated from that of the Garage and treated as distinct projects.

Monument Signage:

If a monument sign is provided at either the 142nd Street or Ravinia avenue entrances to the Triangle, the UCMC and CVS will be permitted panels on said sign(s).

Contingency:

Prior to Rent Commencement, the Ground Lease shall be contingent upon receipt by the Ground Lessee (or by the tenants of the Building) of all required approvals, municipal or otherwise (including, but not limited to, a Certificate of Need issued by the Illinois Healthcare Facilities Review Board), necessary in Ground Lessee's sole judgement, for the development, construction of, and occupancy of the Building and the delivery of the proposed medical services and retail uses at the Building by its tenants (collectively the "Approvals"). . Given the current status of UCMC's due diligence and entitlement process, any additional time required for these items shall be reasonably determined over the next three weeks and incorporated and made part the lease.

Ground Lessee shall be permitted to terminate the Ground Lease at any time prior to Rent Commencement, at its sole discretion, if it or its tenants are unable to receive any required Approval or if it anticipates, in its sole judgement, that it is likely that it or its tenants will be unable to receive in a timely manner any required Approval.

Adjacent Parcel Landscaping

During the Ground Lease Term and before any permanent development, the Ground Lessor shall maintain the parcels immediately to the west and north of the Premises with grass cover in a manner similar to Crescent Park, or other reasonable acceptable manner such as a parking lot. This provision shall not apply to temporary staging areas for the construction of other buildings in the Main Street Triangle district.

Surface Parking:

As part of its development, Ground Lessee shall construct approximately 211 surface spaces the locations of which shall be immediately to the north and adjacent to the Building up to and including the second row of landscape islands (the Surface Parking). VOP shall contribute \$4,750 per parking space for 211 spaces. This contribution shall be made prior to Ground Lessee commencing construction of the Surface Spaces. VOP shall have the right to have its designated contractor bid on the surface lot and associated site work improvements (see exhibit A). If VOP's contractor is deemed to be the low bidder, then VOP shall have the option to assume the obligation to construct the surface lot in accordance with UCMC's Building delivery schedule and in a manner that does not adversely impact UCMC's ability to construct its improvements. Notwithstanding the above the Surface Lot shall be constructed pursuant to UCMC's plans and specifications and any changes to the design and construction of the Surface Lot must be approved by UCMC. Construction plans and civil engineering drawings for the Surface Lot and Associated Site Work will be attached to the Ground Lease. Furthermore, it is acknowledged that VOP shall make adequate staging area available to UCMC within the Premises for the placement of construction trailers and building material/supplies. It is acknowledged that this may necessitate in the Surface Lot being developed in phases to accommodate the staging needed for the development of the Building.

During Business Hours (defined below), the Ground Lessee shall have the exclusive right to utilize the 205 surface spaces that are located in closest proximity to the Building. Ground Lessee and Lessor shall have the ability to enforce this right by implementing mutually agreeable control mechanism within the surface lot.

During weekdays between the hours of 8:00am to 6:00pm ("Business Hours"), the Ground Lessor may require the occupant of the Retail Pad to utilize a valet system to ensure adherence to UCMC's exclusive parking rights as described above. The cost for such valet system would be borne solely by the occupant of the Retail Pad.

Ground Lessee shall also make the Surface Parking spaces at the Premises available for the Main Street Triangle occupants between 6:00pm and 4:00am on weekdays, and all day on weekends. The availability of these parking spaces, including the total number of spaces shall be subject to a shared parking formula that will be reasonably implemented by VOP. In exchange for granting this parking access, Ground Lessor and the Village of Orland Park shall provide Ground Lessee with liability indemnification in a form and manner that is acceptable to the Ground Lessee. These terms shall be further outlined in a perpetual, reciprocal access, operating, and parking agreement between UCMC and the Village.

Garage Parking:

VOP shall design, entitle, construct, own and operate an above-grade, approximately 513 stall parking garage located west of Jefferson Street.

In exchange for a financial contribution (previously defined herein), the Ground Lessee shall be permitted perpetual and exclusive use of 175 of the Garage spaces during Business Hours (UCMC's Garage Spaces which shall be designated for employees) and perpetual and non-exclusive use and access to the Garage spaces during non-Business Hours (provided the use of the Premises as described above remains unchanged). There shall be no charge to UCMC for use of the Garage beyond the operating expense contribution obligation (defined below). The location of UCMC's Garage Spaces shall be on the uppermost levels of the Garage and be used by UCMC employees. Enforcement of this provision will be further outlined the parking agreement referenced above. The Ground Lessee's use of and the exclusivity of these spaces during Business Hours shall be enforced by mutually agreeable mechanisms.

The final design of the Garage shall be mutually, but reasonably agreed upon by Ground Lessor and Ground Lessee.

UCMC is making a onetime \$11.2 million contribution towards the Garage Parking and Surface Lot regardless of the cost of these improvements. Any costs beyond UCMC's contribution relating to these improvements shall be borne by VOP. Any savings that may be realized from value engineering or other efficiencies in the design or construction of these improvements shall accrue to VOP.

Notwithstanding the above, the Parking Garage shall be constructed pursuant to plans and specifications that are mutually agreed upon by UCMC and VOP prior to Ground Lease execution. Following ground lease execution, any changes to the design and construction of the Parking Garage must be approved by UCMC.

For future and on-going Garage-related operating expenses, UCMC will make financial contributions based on a proportionate share of the actual expenses incurred with the numerator being UCMC's 175

spaces and the denominator being the total number of Garage spaces. The Village, or its designee, shall be responsible for the balance of the Garage operating expenses. Any potential Garage operating expenses that arise from the Garage having a possible retail component shall be excluded from UCMC's expense reimbursement obligation. The Village, or its designee, shall be responsible for the maintenance and management of the Garage. The Garage shall be maintained and operated in a manner consistent with similarly sized parking structures in metropolitan Chicago area. Furthermore, all expenses associated with the operation and maintenance of the Garage shall be reasonably similar to that of expenses incurred during the operation and maintenance of other similarly sized parking structures in the metropolitan Chicago area.

The timing of the Garage delivery shall be mutually agreed upon prior to Ground Lease execution.

Due Diligence:

UCMC has performed their geo-technical and environmental testing and has informed VOP of the results.

Hours of Use:

There will be no restrictions on the hours of use for UCMC or any ground floor retail tenant beyond already existing Village code limitations. Notwithstanding the above, Village will not contest any attempt by occupants of the Premises to request hours of use that are similar to other uses of this nature elsewhere in the Chicago metropolitan region. Furthermore, subsequent to the execution of the Ground Lease, if the Village alters the permitted hours of use for the types of services provided at the Premises, then the occupants of the Premises shall be grandfathered and they shall be permitted to remain the hours of use in place at time of Ground Lease execution.

Non-Binding:

This LOI does not include material and substantive business terms that still must be negotiated between both parties and therefore is not intended to be, nor should it be considered, a binding agreement. The terms and conditions set forth herein are subject to final Village of Orland Park and UCMC board approval and further mutual negotiations and agreement and are not binding upon any party unless, and until, they are embodied in a final and legally binding mutually acceptable agreement(s) signed by all parties. After 90 days from receipt, the LOI shall be void and of no force and effect unless extended by mutual agreement of the parties.

Exhibit A – UCMC Surface Lot and Associated Site Work

- 211 car surface parking lot
 - Layout for pier/earth retention
- Layout for site utilities
- Prepare as-built at completion
- Cut/fill as needed
- Haul off overburden
- Prep of area to receive pavement
- Prep for curb/gutter/sidewalks/etc.
- Topsoil import
- Furnish and install stone for site concrete, curbs, sidewalks
- Furnish and install landscape (Trees, turf and plantings)
- Furnish and install lighting
- Furnish and install benches
- Furnish and install signage
- Furnish and install curbing, bollards, and bumpers
- Furnish and install water main
- Connect site to water service
- Furnish and install sanitary line
- Furnish and install manholes
- Furnish and install storm piping
- Furnish and install catch basins inlets and connect to main
- Proof roll and compact soil/stone as needed
- Furnish & install site fences
- Furnish and install piers and gates
- Striping
- Furnish and install site signage and site lighting

- Site labor
- Jersey barriers
- Construction fencing
- Furnish and install bollards, etc.
- Furnish and install street lighting and bases
- Soil erosion
- Insurance
- General conditions
- Fees
- Street sweeping
- Soft costs

Site Plan of Building and Premises

