



**U.S. Citizenship  
and Immigration  
Services**

October 29, 2014

David B. Anderson  
Great Lakes Regional Center, LLC  
20 N. Wacker Drive, Suite 2200  
Chicago, IL 60606

Application: Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program

Applicant(s): Great Lakes Regional Center, LLC

Re: Initial Regional Center Designation  
Great Lakes Regional Center, LLC  
RCW1322451192 / ID1322451192

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on August 12, 2013. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

**I. Executive Summary of Adjudication**

Effective the date of this notice, USCIS approves the Form I-924 request to designate Great Lakes Regional Center, LLC ("GLRC") as a qualifying participant in the Immigrant Investor Program.

**II. Regional Center Designation**

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

**A. Geographic Area**

<b>State</b>	<b>Counties</b>
Illinois	Cook, DuPage, Will, Kane, Lake, McHenry, DeKalb, Grundy, Kendall
Indiana	Lake, Porter, Newton, Jasper
Wisconsin	Kenosha

**B. Industry Categories<sup>1</sup>**

<b>NAICS</b>	<b>Industry Name</b>
236220	Commercial and Institutional Building Construction
611	Educational Services
33271	Machine Shops
5415	Computer Systems Design and Related Services
7139	Other Amusement and Recreational Industries
7225	Restaurants and Other Drinking Places
44512	Convenience Stores
45111	Sporting Goods Stores
622	Hospitals
621	Ambulatory Health Care Services
722	Food Services and Drinking Places
6244	Child Day Care Services
71394	Fitness and Recreational Sports Centers
8132	Grant Making and Giving Services
8133	Social Advocacy Organizations
452	General Merchandise Stores
53	Real Estate and Rental and Leasing
624	Social Assistance

**III. Job Creation**

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal.

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<sup>1</sup> USCIS issued a Policy Memorandum (PM-602-0083) on the subject of "EB-5 Adjudication Policy," dated May 30, 2013, stating that formal amendments to the regional center designation are no longer required when a regional center changes its industries of focus or geographic boundaries. A regional center may still elect to pursue a formal amendment by filing Form I-924 if it seeks certainty in advance that changes in the industries or the geographic area will be permissible prior to filing Form I-526 petitions.

This hypothetical project does not have the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998), and therefore, USCIS's approval of the hypothetical job creation estimates presented in the Form I-924 will not be accorded deference and may not be relied upon by an individual investor when filing the Form I-526. The business plan and job creation estimates will receive a de novo review by USCIS when an individual investor files Form I-526. Once an actual project is adjudicated upon the filing of the initial Form I-526, USCIS will give deference to subsequent Forms I-526 when the critical assumptions remain materially unchanged from the initially-approved Form I-526.

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

#### **IV. Guidelines for Filing Form I-526 Petitions**

Each individual petition, in order to demonstrate that it is affiliated with the Great Lakes Regional Center, LLC, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).
2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.
3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).
4. Legally executed organizational documents of the commercial enterprise.

Note: The project reviewed with this Form I-924 application is a hypothetical project. Organizational and transactional documents associated with the new commercial enterprise (NCE) submitted with this Form I-924 have not been reviewed to determine compliance with program requirements since these documents will receive de novo review in subsequent filings (e.g., an amended Form I-924 application with a Form I-526 exemplar or the first Form I-526 petition filed by an investor under the regional center project).

#### **V. Designee's Responsibilities in the Operations of the Regional Center**

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at [www.uscis.gov](http://www.uscis.gov).

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30<sup>th</sup> of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29<sup>th</sup> of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable.

## **VI. Legal Notice**

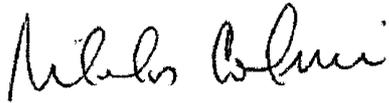
This approval and designation of a Regional Center under the Immigrant Investor Program does not constitute or imply an endorsement or recommendation by USCIS, the United States Government or any instrumentality thereof, of the investment opportunities, projects or other business activities related to or undertaken by such Regional Center. Except as expressly set forth in this approval and designation, USCIS has not reviewed any information provided in connection with or otherwise related to the Regional Center for compliance with relevant securities laws or any other laws unrelated to eligibility for designation as a Regional Center. Accordingly USCIS makes no determination or representation whatsoever regarding the compliance of either the Regional Center or associated New Commercial Enterprises with such laws.

Each Regional Center designated by USCIS must monitor and oversee all investment offerings and activities associated with, through or under the sponsorship of the Regional Center. The failure of an associated New Commercial Enterprise to comply with all laws and regulations related to such investment offerings and activities may result in the issuance by USCIS of a notice of intent to terminate the Regional Center designation.

Great Lakes Regional Center, LLC  
ID1322451192  
RCW1233451192  
Page 5

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at [USCIS.ImmigrantInvestorProgram@uscis.dhs.gov](mailto:USCIS.ImmigrantInvestorProgram@uscis.dhs.gov).

Sincerely,



Nicholas Colucci  
Chief, Immigrant Investor Program

cc: Elizabeth Cannon, Senior Paralegal  
Fragomen, Del Rey, Bernsen & Loewy, LLP  
200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606

Anna H. Morzy, Esq.  
Fragomen, Del Rey, Bernsen & Loewy, LLP  
200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606

Great Lakes Regional Center, LLC  
20 N. Wacker Drive, Suite 2200  
Chicago, IL 60606

Great Lakes Regional Center, LLC

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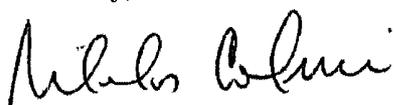
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Page 5

Center. The failure of an associated New Commercial Enterprise to comply with all laws and regulations related to such investment offerings and activities may result in the issuance by USCIS of a notice of intent to terminate the Regional Center designation.

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Sincerely,



Nicholas Colucci  
Chief, Immigrant Investor Program

cc: Elizabeth Cannon, Senior Paralegal  
Fragomen, Del Rey, Bernsen & Loewy, LLP  
200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606

Great Lakes Regional Center, LLC  
20 N. Wacker Drive, Suite 2200  
Chicago, IL 60606



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Elizabeth Cannon, Senior Paralegal  
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200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606

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**A. Geographic Area**

Great Lakes Regional Center, LLC

ID1322451192

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Page 2

<b>State</b>	<b>Counties</b>
Illinois	Cook, DuPage, Will, Kane, Lake, McHenry, DeKalb, Grundy, Kendall
Indiana	Lake, Porter, Newton, Jasper
Wisconsin	Kenosha

### **B. Industry Categories<sup>1</sup>**

<b>NAICS</b>	<b>Industry Name</b>
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33271	Machine Shops
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Page 3

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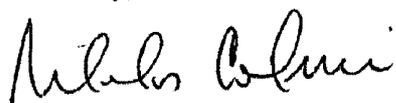
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Page 5

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Sincerely,



Nicholas Colucci  
Chief, Immigrant Investor Program

cc: David B. Anderson  
Great Lakes Regional Center, LLC  
20 N. Wacker Drive, Suite 2200  
Chicago, IL 60606

COPY

RECEIPT NUMBER RCW1322451192		CASE TYPE 1924 Application for Regional Center Under the Immigrant Investor Pilot Program
RECEIVED DATE August 12, 2013	APPLICATION TYPE: A (INITIAL)	REGIONAL CENTER NAME GREAT LAKES REGIONAL CENTER LLC
NOTICE DATE August 12, 2013	PAGE 1 of 1	REGIONAL CENTER ID ID1322451192
GREAT LAKES REGIONAL CENTER LLC 20 N WACKER DR STE 2200 CHICAGO IL 60606		NOTICE TYPE: Receipt Notice

**Receipt Notice** - This notice confirms that USCIS has accepted your "Application for Regional Center Under the Immigrant Investor Pilot Program" (Form I-924) for processing. This notice does not grant any immigration status or benefit. This notice does not grant any immigration status or benefit.

**Processing Time** - The current processing time for this type of case is estimated at 120 days. Unlike many other USCIS case types, verification or tracking of this case is not available on our website. We will notify you by mail when we make a decision on this case or if we need further evidence to establish your eligibility for the regional center designation.

**Unique Identifier** - In the top portion of this Notice, you will find a unique identifier that has been assigned to your Form I-924. Unlike a receipt number which changes with every filing, this unique identifier is permanently assigned to your approved or prospective regional center, and will be associated with any future request to amend the regional center. Please refer to your regional center's unique identifier as well as to the Form I-924 receipt number in all subsequent correspondence with USCIS regarding this application.

**E-Mail Communication Regarding Your Pending Form I-924 Application** - USCIS has established a direct e-mail communication tool to facilitate communication between USCIS and those applicants with pending Form I-924s. Form I-924 applicants may use the e-mail communication process to correspond with USCIS regarding pending Form I-924 applications, to include questions that may arise if USCIS issues a Request for Evidence (RFE) or a Notice of Intent to Deny (NOID). USCIS may also reach out to Form I-924 applicants via e-mail to informally ask for clarification on certain issues in order to facilitate USCIS' review, understanding, and adjudication of the Form I-924 application. USCIS may also e-mail a courtesy copy of the RFE or NOID to the e-mail address listed on the I-924 and, if applicable, to the e-mail address listed on the Form G-28 associated with the application.

Please use the following table to determine which email address has been assigned to your Form I-924.

If your unique identifier ends in the number:	Then please utilize this email address:
0, 1, or a 2	CSC-EB5-RCID0-2@dhs.gov
3, 4, or 5	CSC-EB5-RCID3-5@dhs.gov
6 or 7	CSC-EB5-RCID6-7@dhs.gov
8 or 9	CSC-EB5-RCID8-9@dhs.gov

Example: If a regional center's unique identifier is IDxxxxxxx0, then the regional center's Form I-924 has been assigned to email account CSC-EB5-RCID0-2@dhs.gov, as the unique identifier ends in "0".

**E-Mail "Subject Line" Advisory** - Please ensure that the subject line in your email correspondence contains the following information in this order: (1) Regional Center Unique Identifier; (2) Receipt Number; (3). Regional Center Name. Doing so will facilitate USCIS' timely handling of and response to your email correspondence.

**E-mail Scope** - This e-mail communication tool is to be used solely to facilitate communication between applicants with a pending Form I-924 and USCIS. The scope of the communication must relate to matters concerning the pending Form I-924. The direct e-mail communication initiative it is not a forum for general policy and legal questions about adjudicative procedures or decisions, or for questions relating to either "Immigrant Petition by Alien Entrepreneur" (Form I-526), "Petition by Entrepreneur to Remove Conditions" (Form I-829), or any "Appeal or Motion" (Form I-290B). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924. For more information about how to make other EB-5 inquiries, visit the EB-5 Inquiries page on the USCIS website (www.uscis.gov). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924 via this email communication process.

**General Questions** - USCIS has a page entitled EB-5 Inquiries at www.uscis.gov that outlines how the public may make other inquiries on EB-5 related matters, to include inquiries that you may have after the Form I-924 has been adjudicated. This page clarifies the EB-5 inquiries that are appropriate to send to the general EB-5 mailbox (at uscis.immigrantinvestorprogram@dhs.gov), and other avenues that can be used to send questions or inquiries to USCIS that are not suitable for the general EB-5 mailbox.

**Attorney Or Accredited Representative** - If a valid Form G-28 is associated with the Form I-924, USCIS will need to have a viable Form G-28 e-mail address for the legal representative in order to use the e-mail process to correspond with the Form I-924 applicant. If a valid Form G-28 is associated with the Form I-924 applicant, but USCIS does not have a viable Form G-28 e-mail address, then one will need to be obtained prior to USCIS sending any out-going e-mail correspondence to the applicant which discuss issues related to the Form I-924. In such circumstance, the legal representative should provide an updated Form G-28 with a valid e-mail address by sending a pdf of a fully executed Form G-28 to the EB-5 mailbox at uscis.immigrantinvestorprogram@dhs.gov.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC  
CALIFORNIA SERVICE CENTER  
P.O. BOX 30111  
LAGUNA NIGUEL CA 92607-0111  
Customer Service Telephone: (800) 375-5283



**CONFIDENTIAL OFFERING MEMORANDUM**

**[COMPANY NAME]**

(A State of Illinois Limited Liability Company)

[Number] ([##]) Units of Limited Liability Company Interests ("Units")

Offered at U.S. \$##0,000 per Unit

Minimum Investment – [Number] ([##]) Unit(S)

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**[COMPANY NAME]**, a State of Illinois Limited Liability Company ("[COMPANY NAME]"), is offering to sell on a "best efforts" basis up to [Number] ([##]) units of membership interests (the "Units") to qualified purchasers (the "Investors") at a subscription price of \$\_\_\_\_\_ per Unit (the "Subscription Price"). The Units shall be offered to foreign investors who are seeking permanent resident immigrant status under the employment creation immigrant investor provisions of the U.S. immigration laws. See "Who May Invest". The Units will not be offered in the United States or to U.S. persons. A minimum purchase of [Number] ([##]) Units is required.

[COMPANY NAME] may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. [COMPANY NAME] may also, in the discretion of the [Manager(s)/ Managing Member(s)], engage in any other business or lawful activity permitted under the laws of the State of Illinois. [COMPANY NAME] intends to offer the Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. [COMPANY NAME] shall assist those investors and their attorneys in connection with the application process by providing the necessary information regarding [COMPANY NAME] and its business.

	<u>OFFERING PRICE</u> <sup>(1)</sup>	<u>ORGANIZATIONAL AND OFFERING EXPENSES</u>	<u>PROCEEDS TO [COMPANY NAME]</u> <sup>(2)</sup>
Per Unit	\$##0,000	\$0,0	\$##0,000
Maximum Offering Amount (## Units)	\$##0,000	\$##0,000	\$##0,000

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<sup>(1)</sup> The price of the Units was arbitrarily determined and bears no relationship to the assets of [COMPANY NAME], book value, or any other recognized criterion of value.

<sup>(2)</sup> Net proceeds from the sale of the Units shall, in their entirety be invested in [COMPANY NAME] in order to generate sufficient jobs to qualify the investment for foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. No Organizational and Offering Expenses shall be deducted from the net proceeds of the sale of the Units. See "Estimated Use of Proceeds."

**THE DATE OF THIS MEMORANDUM IS [MONTH DD, YYYY]**

## NOTICE TO PROSPECTIVE INVESTORS

This Confidential Offering Memorandum (the "Offering Memorandum") has been prepared for distribution to a limited number of eligible persons ("Prospective Investors") for their confidential use and information in evaluating an investment in the Units. This Offering Memorandum shall not constitute an offer unless the name of the Prospective Investor and memorandum number appear in the spaces set forth on the top of the cover page of the Offering Memorandum. Delivery of this Offering Memorandum or any other documents or information furnished to an investor to anyone other than the person whose name appears on the cover page is unauthorized. Any reproduction of this Offering Memorandum or other documents or any divulgence of the contents thereof without the prior written consent of the [Manager(s)/ Managing Member(s)] is prohibited. As you read the Offering Memorandum, please note the following important facts:

**THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE UNITS ARE BEING OFFERED PURSUANT TO THE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS PROVIDED UNDER REGULATION S FOR FOREIGN OFFERINGS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES COMMISSION ("SEC") OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY. NOR HAS THE SEC OR ANY OTHER REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THE OFFERING AND SALE OF THE UNITS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF THE TERRITORY OF HONG KONG, THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, TAIWAN, KOREA OR ANY OTHER COUNTRY.**

No offering literature or advertising in whatever form will or may be employed in the offering of the Units except for statements contained in this Offering Memorandum or a summary hereof or documents summarized herein, and information provided by the principals of [COMPANY NAME] in response to questions by a Prospective Investor. No person has been authorized to make any representations or give any information inconsistent with the information contained or referred to herein. If made, such representations or information may not be relied upon.

The Units involve significant risks and should be purchased only by persons who can afford to lose their entire investment. See "Risk Factors" and "Who May Invest." The Units are illiquid and subject to several restrictions on transfer.

Prospective Investors are not to construe the contents of this Offering Memorandum as legal, tax or investment advice. Each Prospective Investor should consult his own attorney, accountant and business advisor as to legal, tax and related matters concerning an investment in the Units.

The information contained herein has been obtained from sources deemed reliable but no representation or warranty is made to its accuracy or completeness. This Offering Memorandum is made as of the date set forth on the cover page. Neither the delivery of this Offering Memorandum nor any sales of Units made pursuant hereto shall, under any circumstances, create any implication that there has been no change in the affairs of [COMPANY NAME] since the date hereof, or that the information contained herein is correct as of any time subsequent to the date of this memorandum.

Forecasts are contained in this Offering Memorandum. Any predictions and representations, written or oral, which do not conform to those contained in this Offering Memorandum, shall not be permitted. Forecasts represent a mere prediction of future events based on assumptions which may or may not occur and may not be relied upon to indicate the actual results which will be obtained.

This Memorandum is not an offer to sell or a solicitation of an offer to purchase any of the Units. Offers or invitations to invest can only be made by the [Manager(s)/ Managing Member(s)]. This Memorandum is not an offer or solicitation in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Nor is it an offer to any person who does not satisfy the investor suitability requirements set forth herein.

Although the [Manager(s)/ Managing Member(s)] believes that this Offering Memorandum contains a fair summary of the material terms of all documents purported to be summarized herein, Prospective Investors are urged to refer to the actual documents for complete information concerning the rights and obligations of the parties to such documents. Copies of such documents are attached to this Offering Memorandum as Exhibits or are available upon request from [COMPANY NAME]. All summaries are qualified in their entirety by this reference to the actual documents.

Prospective investors are urged and invited to ask questions of and to obtain additional information from the [Manager(s)/ Managing Member(s)] concerning the terms and conditions of the offering, [COMPANY NAME] and its proposed business and any other relevant matters (including but not limited to additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that the [Manager(s)/ Managing Member(s)] possesses such information or can acquire it without unreasonable effort or expense.

Prospective investors having questions or desiring additional information should contact [COMPANY NAME] at [TELEPHONE NUMBER].

## **WHO MAY INVEST**

[COMPANY NAME] intends to offer the Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. The Units will be offered and sold outside of the United States

to individuals who are "non-U.S. Persons" (as defined below) and who meet the investor suitability standards described below. Investment in the Units is suitable only for individuals of substantial means who have no need for liquidity with regard to this investment. The Units will be non-transferable for several years, and there is no public market for the Units. Investment in the Units involves significant risks, and no assurance can be given that [COMPANY NAME] will realize its financial objectives. See "Risk Factors." Each Prospective Investor is urged to consult his own business and tax advisors before investing in the Units.

### **Non-U.S. Persons**

[COMPANY NAME] intends to offer the Units to "non-U.S. Persons" outside of the United States. The offering of the Units is not being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the foreign offering exemption set forth in Regulation S. Under Regulation S, the Units must be offered and sold outside of the United States and to non-U.S. Persons only.

The term "U.S. Person" means:

- (i) any natural person resident in the United States; or
- (ii) any partnership or corporation organized or incorporated under the laws of the United States.

### **Accredited Investors**

[COMPANY NAME] intends to limit the offering to individuals who qualify as "accredited investors," as such term is defined in Regulation D promulgated under the Securities Act. The term "accredited investor" means any person who falls within one of the following categories, or whom the [Manager(s)/ Managing Member(s)] reasonably believe falls within either one of the following categories at the time of the sale of the Units to that person:

- (a) Any person whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase exceeds \$1,000,000; or
- (b) Any natural person who had an individual income of more than \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of meeting the same income level in the current year.

The [Manager(s)/ Managing Member(s)] may, in their sole discretion, waive this requirement with respect to certain Investors whom they believe are otherwise financially suitable.

### **Representations By All Investors**

Each Subscriber, as defined in the Subscription Agreement (the "Subscription Agreement") a form of which is attached hereto as Exhibit A, for the Units will be required to acknowledge and represent that:

- (1) The Subscriber is an individual over the age of 21 and is not a resident of the United States of America.
- (2) The Units were offered to the Subscriber outside of the United States. The offer and sale of the Units occurred outside of the United States and the Units may only be offered to non-U.S. persons. The Subscriber is not a U.S. person and is not acquiring the Units for the account or benefit of any U.S. Person.
- (3) The Subscriber is an "accredited investor" as defined in Regulation D. The Subscriber is able to bear the economic risk of the investment and the Subscriber has such knowledge and experience in financial and business matters that the Subscriber is capable either on his own or together with his advisors and representatives of evaluating the merits and risks of investing in [COMPANY NAME] as a Member.
- (4) In evaluating the merits and risks of an investment in the Units, the Subscriber has relied upon the advice of his own personal tax and legal counsel.
- (5) Prior to the purchase of the Units, [COMPANY NAME] afforded him and his advisors full and complete access to all information with respect to [COMPANY NAME], the [Manager(s)/ Managing Member(s)] and [COMPANY NAME]'s proposed activities that he and his advisors deemed necessary in order to evaluate the merits and risks of an investment, to the extent that information was possessed or could be acquired by [COMPANY NAME] without unreasonable effort or expense.
- (6) The Units he is offering to purchase will be purchased solely for his account for investment purposes only, and not with the view to, or for resale in connection with, any redistribution thereof.

The [Manager(s)/ Managing Member(s)] reserves the right to refuse to sell the Units to any person if, in his sole discretion, the Prospective Investor offering to purchase the Units does not meet one or more of the suitability criteria, including the financial suitability criteria. The [Manager(s)/ Managing Member(s)] may, in his sole discretion, waive the financial suitability requirements with respect to certain Prospective Investors whom he believes are otherwise suitable.

## **SUMMARY OF THE OFFERING**

THIS SUMMARY IS INTENDED ONLY FOR QUICK REFERENCE AND IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS MEMORANDUM AND IN THE EXHIBITS ATTACHED HERETO. ALL INITIALLY CAPITALIZED TERMS USED IN THIS SUMMARY SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE OTHER PORTIONS OF THIS MEMORANDUM.

### **[COMPANY NAME]**

[COMPANY NAME] is a State of Illinois Limited Liability Company formed on [MONTH DD, YYY]. [NAME(s)] is the [Manager(s)/ Managing Member(s)] (the "[Manager(s)/ Managing

Member(s))". The [Manager(s)/Managing Member(s)] is responsible for managing the business and affairs of [COMPANY NAME]. The Initial Members of [COMPANY NAME] are [NAMES]. [COMPANY NAME] is authorized to admit up to [NUMBER (##)] investors as Members in connection with the offering.

[COMPANY NAME] may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. [COMPANY NAME] may also, in the discretion of the [Manager(s)/ Managing Member(s)], engage in any other business or lawful activity permitted under the laws of the State of Illinois.

[COMPANY NAME] intends to offer the Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. [COMPANY NAME] shall assist those investors and their attorney in connection with the application process by providing the necessary information regarding [COMPANY NAME] and its business.

### **Company Investment Objectives**

The primary investment objectives of [COMPANY NAME] are to: (i) preserve and protect [COMPANY NAME]'s capital; and (ii) generate net operating profits from operations.

### **Operating Agreement**

[COMPANY NAME] shall be governed by the Operating Agreement (the "Operating Agreement") attached hereto as Exhibit B.

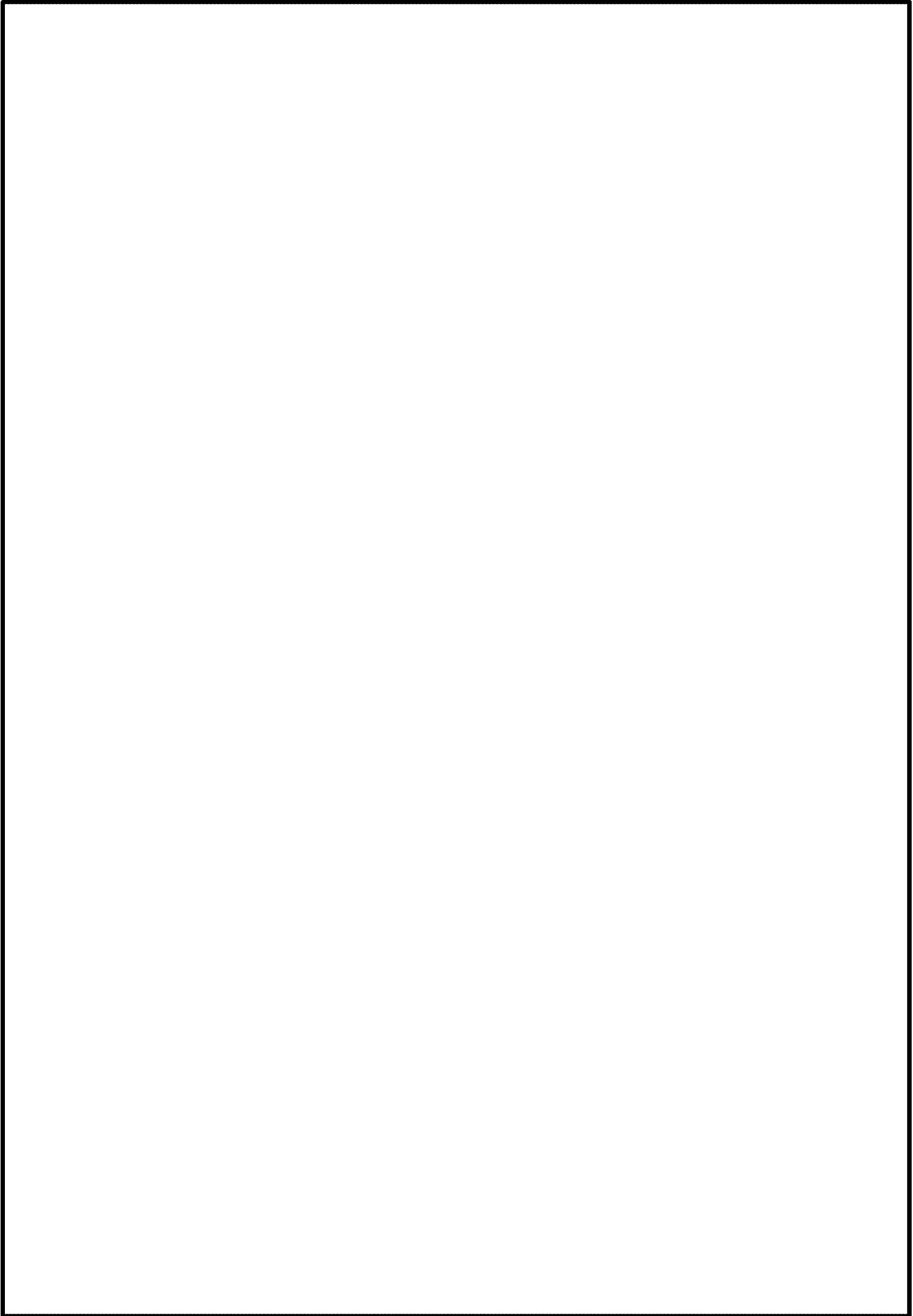
### **The Offering**

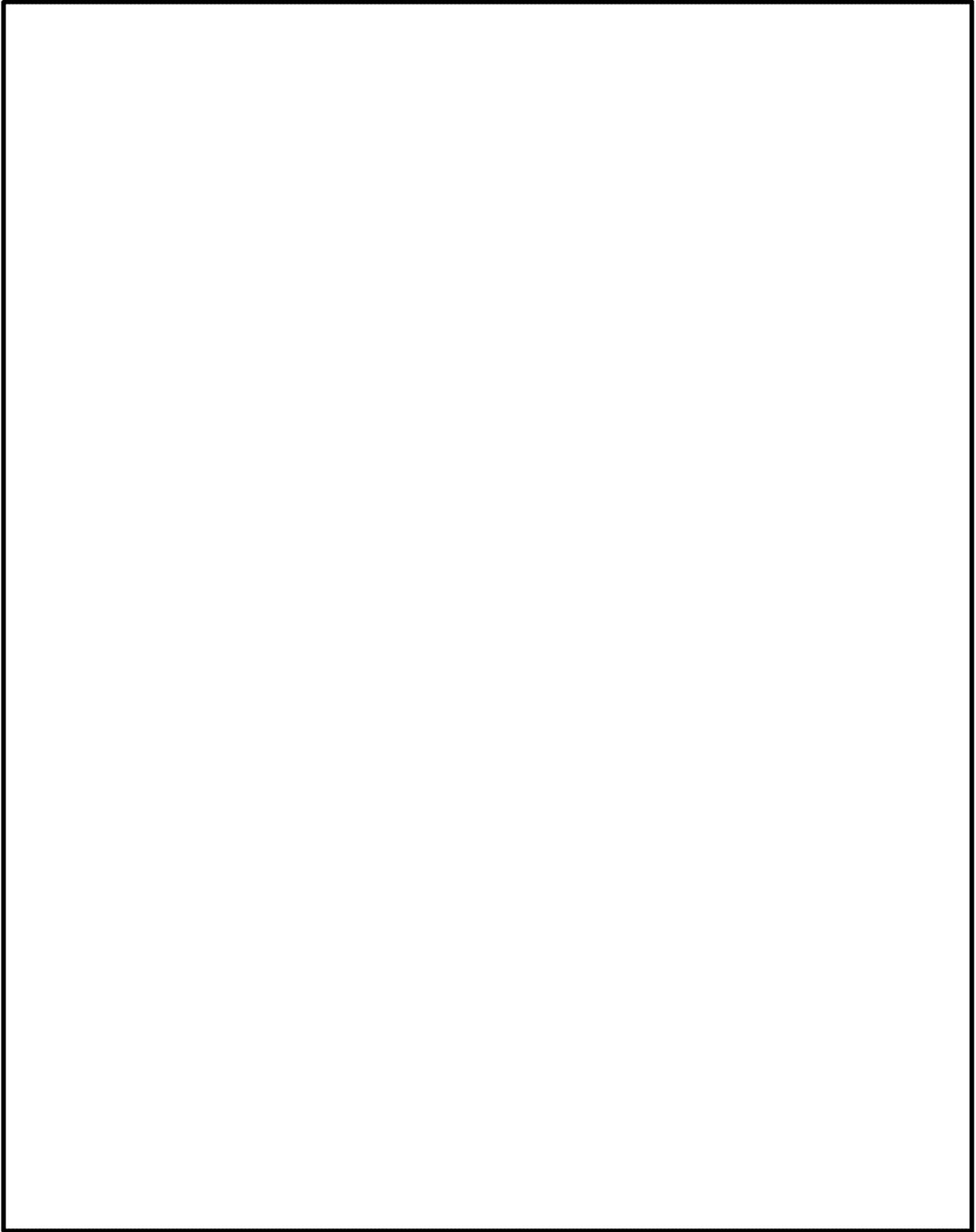
[COMPANY NAME] is offering [NUMBER (##)] units of membership interests ("Units") at a subscription price of \$\_\_\_\_\_ per Unit. The Units are being offered on a "best efforts" basis to qualified foreign investors pursuant to the foreign offering exemption set forth in SEC Regulation S. See "Who May Invest." Each Investor must purchase at least [NUMBER (##)] Units. The entire Subscription Price must be paid by certified cashier's check or wire transfer at the time of subscription.

(b)(4)



(b)(4)



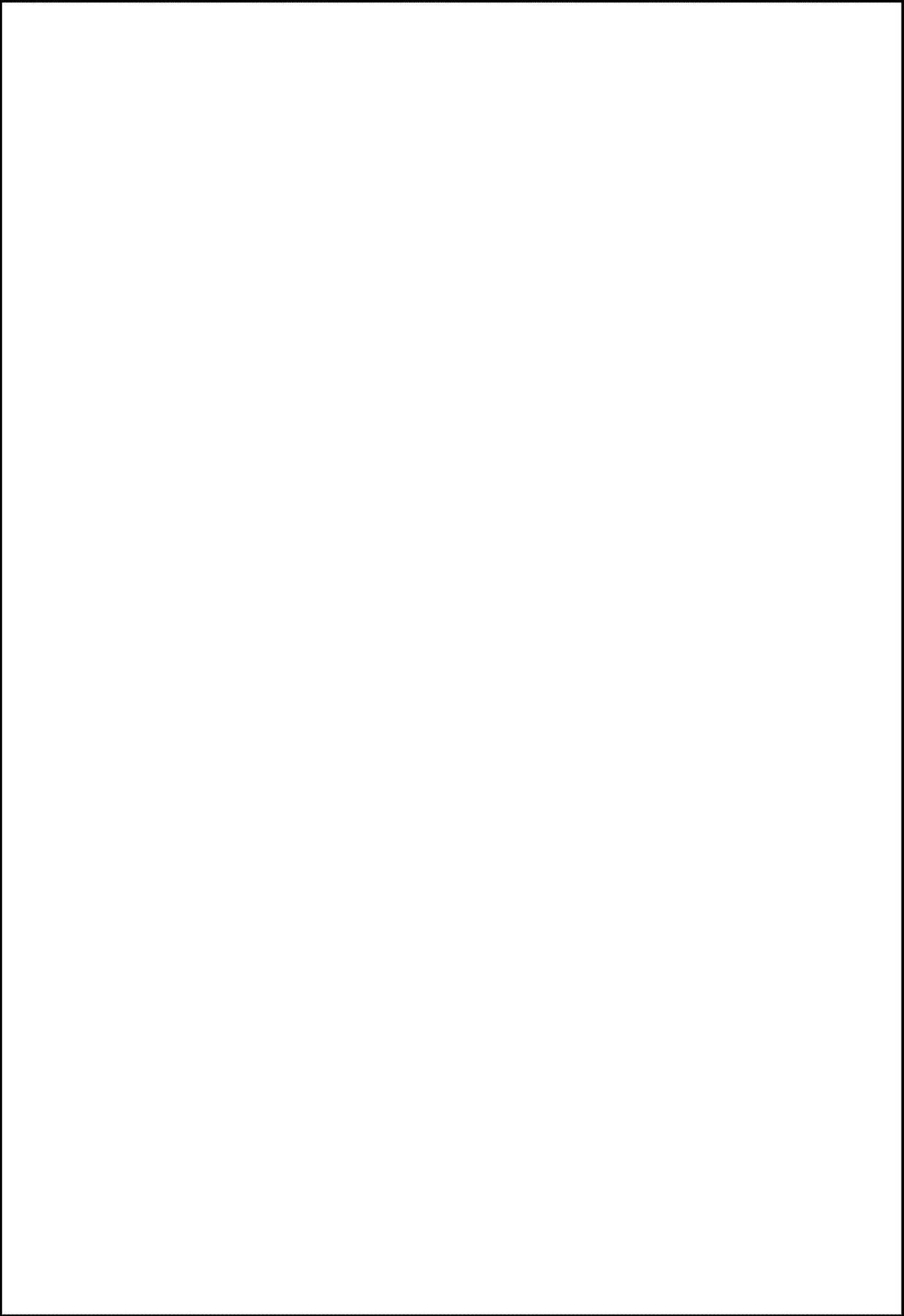


**Immigration Risks**

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of [COMPANY NAME]. These include the Investor's past history and quotas established by the USCIS limiting the number of visas granted

(b)(4)

Managing Member(s)] loans any funds to [COMPANY NAME], the [Manager(s)/ Managing



(b)(4)



**CA. AL ESCROW AGREEMENT**

**THIS CAPITAL ESCROW AGREEMENT** (the "Capital Escrow Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between [COMPANY NAME] ("[COMPANY NAME]"), and the person executing this Capital Escrow Agreement as the Investor (the "Investor").

**RECITALS**

1. The Investor desires to acquire [Number] ([##]) [Membership/Partnership] Units (the "Units") in [COMPANY NAME].
2. As a condition to admitting the Investor as a [Member/Partner] of [COMPANY NAME], the Investor is required to transfer the sum of [Number] ([\$##]), (the "Subscription Price") to [COMPANY NAME].
3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of [COMPANY NAME].
4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account) shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
5. [COMPANY NAME] and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

**1. Engagement and Duties of the Escrow Agent.**

1.1 [COMPANY NAME] and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "[COMPANY NAME] – Capital Investment" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	[COMPANY NAME] – Capital Investment
For Benefit of:	Investor Name:
Amount:	##\$0,000 USD

(b)(4) 1.3 The Escrow Agent shall provide to [COMPANY NAME], at its request, monthly statements of the Escrow Account and its activity.



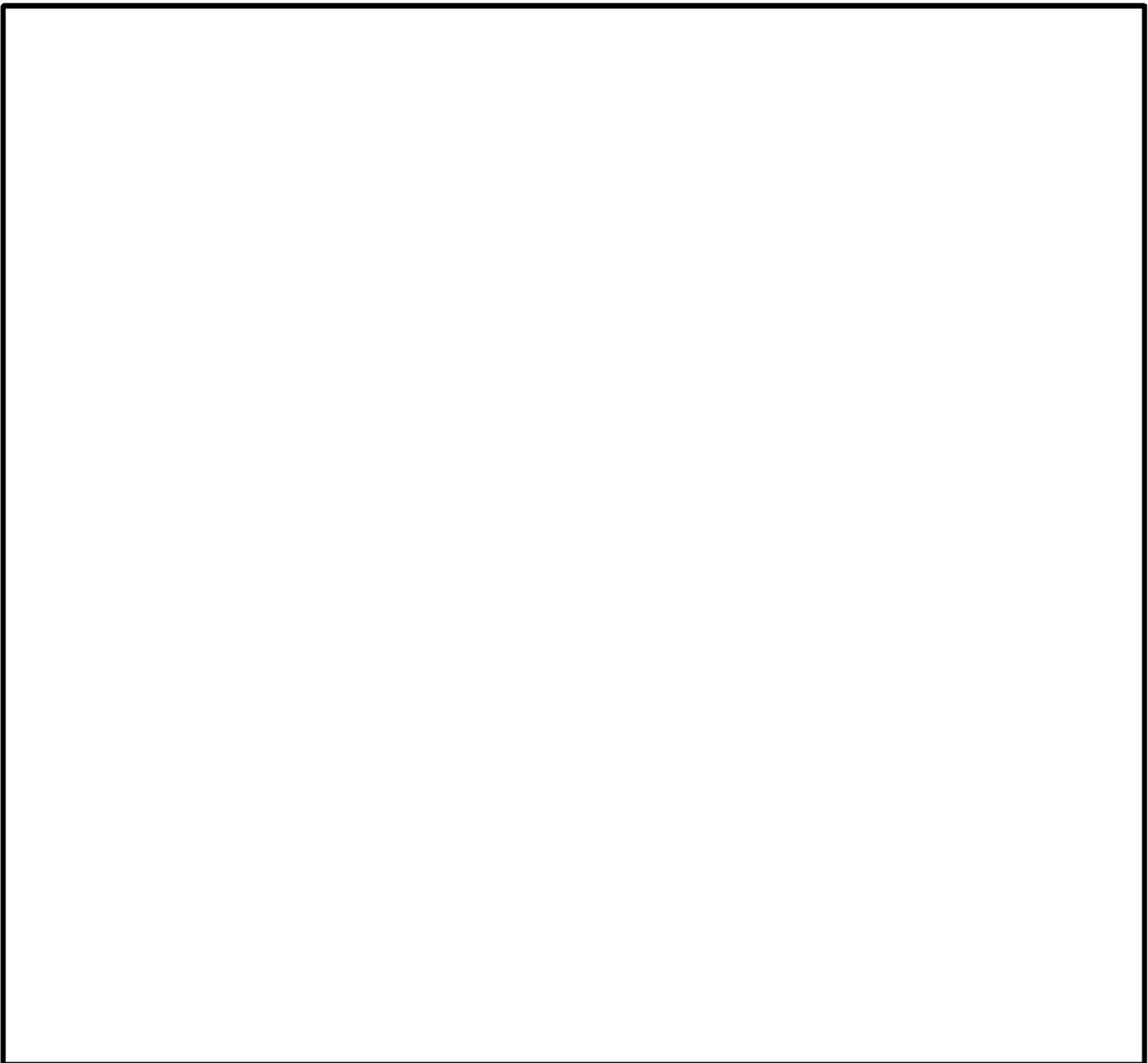
(b)(4)



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)



(b)(4)



**10. Execution and Counterparts**

10.1 This Capital Escrow Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 [COMPANY NAME], the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Capital Escrow Agreement to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**[COMPANY NAME]**

By: \_\_\_\_\_  
[Manager/Managing Member/Partner]

**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)

## ESCROW AGREEMENT FOR SERVICE FEES

**THIS ESCROW AGREEMENT FOR SERVICE FEES** (the "Escrow Agreement for Service Fees") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between [COMPANY NAME] ("[COMPANY NAME]"), and the person executing this Escrow Agreement for Service Fees as the Investor (the "Investor").

### RECITALS

1. The Investor desires to acquire one hundred ([Number] ([##]) [Membership/Partnership] Units (the "Units") in [COMPANY NAME].
2. As a condition to admitting the Investor as a [Member/Partner] of [COMPANY NAME], the Investor is required to transfer the sum of [Number] ([\$\$\$]), the "Service Fees" to [COMPANY NAME].
3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of [COMPANY NAME].
4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account) shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
5. [COMPANY NAME] and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

### **1. Engagement and Duties of the Escrow Agent.**

1.1 [COMPANY NAME] and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "[COMPANY NAME] – Service Fees" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	[COMPANY NAME] – Service Fees
For Benefit of:	Investor Name:
Amount:	\$\$\$0,000 USD

1.3 The Escrow Agent shall provide to [COMPANY NAME], at its request, monthly statements of the Escrow Account and its activity.

(b)(4) 1.4 While funds are held in Escrow, the Escrow Agent will allow Chase to invest the funds in short-term certificates of deposit as to be determined by Escrow Agent.



(b)(4)



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)



(b)(4)



**10. Execution and Counterparts**

10.1 This Escrow Agreement for Service Fees may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 [COMPANY NAME], the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Escrow Agreement for Service Fees to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**[COMPANY NAME]**

By: \_\_\_\_\_  
[Manager/Managing Member/Partner]

**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)



*Appendix E – Sample Marketing Materials*



## Great Lakes Regional Center

Great Lakes Regional Center brings a fresh perspective to the EB-5 Immigrant Investor Program for both investors and local projects. Our focus is development that creates local jobs in disadvantaged communities in the Chicago and Northwestern Indiana areas to bring a fair return for investors and create the greatest economic impact for communities.

We bring EB-5 and other funding sources, such as tax credits, private equity, grants, and community development incentives to ensure a strong funding package. We take an action-oriented holistic approach to ensuring urban development projects are successful for investors, project owners, developers, and the neighborhoods they serve.

Our projects undergo a thorough review process to determine their eligibility for EB-5 investment and also their *viability* and ability to bring needed jobs to their neighborhoods. We work with a variety of different projects and also identify *direct* EB-5 investment opportunities so that our investors may choose an investment path that best suits their individual goals.

Our base of foreign investors comes from the established business community in several foreign nations where our principal has been conducting business for nearly 40 years, particularly from China where he founded and developed new Chinese businesses including joint ventures for U.S. corporations.

Certification is pending for the Great Lakes Regional Center, LLC, as an EB-5 Regional Center. Once approved, we will serve the fourteen contiguous counties known as the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. \* This area encompasses fourteen counties in Northeastern Illinois, Southeastern Wisconsin and Northwestern Indiana.

### EB-5 Immigrant Investor Program Overview

The EB-5 Immigrant Investor Program is designed to bring foreign investment into economically deprived U.S. neighborhoods and create local jobs. As an incentive for these investors, the program provides for the issuance of "conditional" or temporary (two-year) green cards to qualifying investors and their families who invest a minimum of US \$1 million (or US \$500,000, if the investment is going into a designated Targeted Employment Area) in businesses (new commercial enterprises or troubled businesses) that create at least ten, full-time permanent jobs for U.S. workers. Provided that the investment is maintained and creates the required number of jobs, "unconditional" or permanent green cards are issued after two years. During the two-year conditional period, EB-5 investors need no employment authorization to accept employment in the U.S. and may travel freely between the U.S. and their home country.

The EB-5 Program brings new financial investments and jobs to local U.S. communities that need them. For the investor, this is one of the most flexible immigration programs in the world. There are no requirements with respect to age, business training and experience, or language skills. Permanent residents need not be continuously and physically present in the United States, and may maintain business and professional relations in their country of origin.

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\* NOTE: Pending USCIS approval of requested geography and sectors.



The EB-5 Program also provides investors flexibility because it does not require immigrant investors to manage their investment on a daily basis, but rather, to “actively engage” in a business enterprise, meaning they may still pursue other professional or personal ventures.

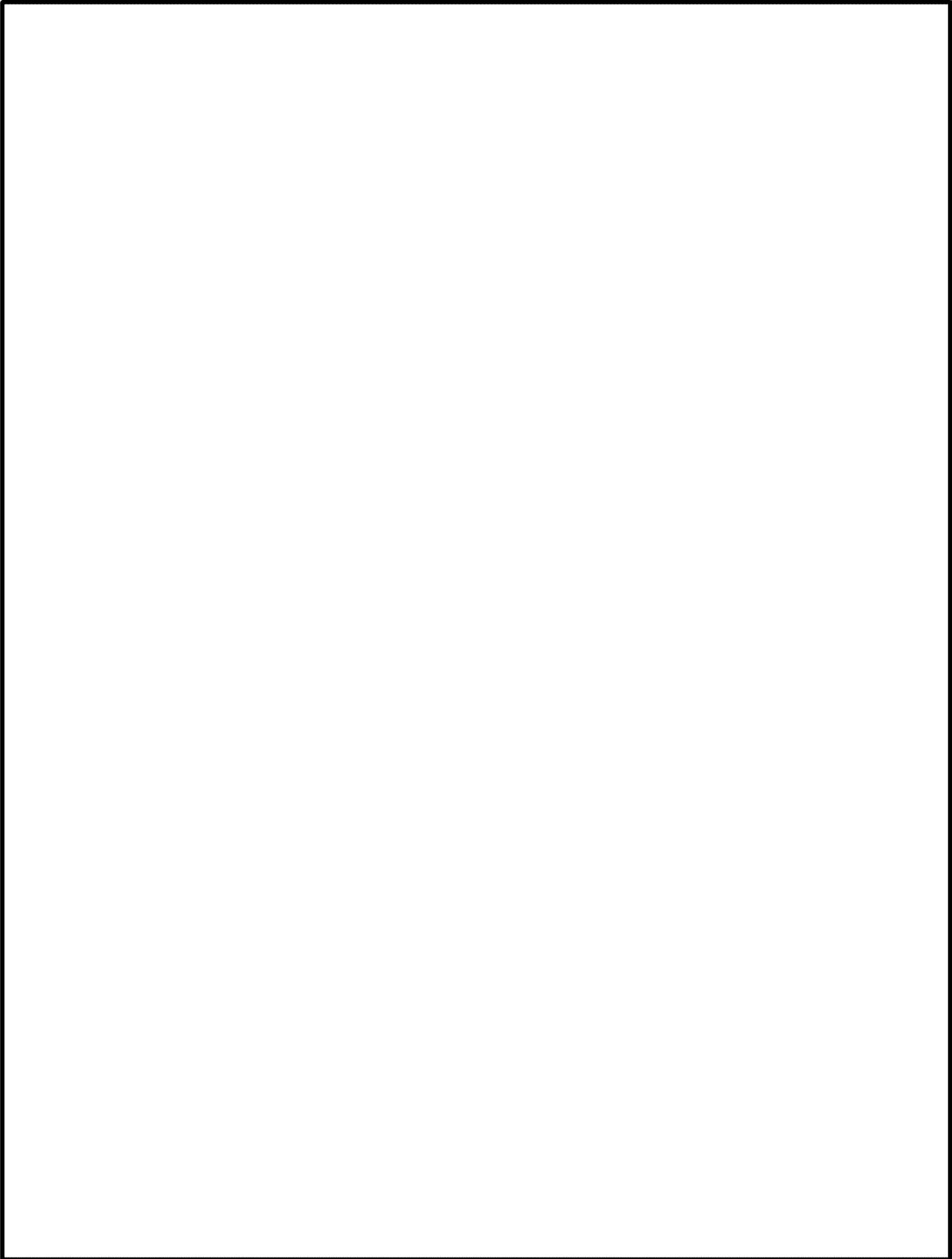
If the investor and his or her family elect to become U.S. citizens, the time spent as conditional permanent residents is credited towards the five-year lawful permanent residency requirement for U.S. citizenship. As a permanent resident, the investor and his or her family are free to return to their homeland for visits or business purposes, as long as a residence is maintained in the United States.

### **EB-5 Program Administration**

The United States Citizenship and Immigration Services (USCIS) administers the EB-5 Immigrant Investor Program, also known as “EB-5,” created by Congress in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. Under a pilot immigration program first enacted in 1992 and regularly reauthorized since, certain EB-5 visas also are set aside for investors in Regional Centers designated by USCIS based on proposals for promoting economic growth. For additional information regarding the U.S. immigrant investor program, please visit the USCIS website.

(b)(4)

### **Why Bring a Local Development Project to the Great Lakes Regional Center?**



## Great Lakes Regional Center Team

**David B. Anderson** is the founder and CEO of Great Lakes Regional Center, LLC. David has extensive experience as a Chicago based senior C-level executive while serving in the capacities of General Counsel, business strategy and development and line management officer while leading Inland Steel Industries, GATX and other multinational corporations. More recently, Anderson has served as an investor, founder, and managing partner of international consulting businesses. His extensive relationships with major private equity firms in the U.S. and China provide the potential to source and structure access to private capital. He has held multiple public and private board and advisory positions and currently serves on the boards of Advocate Healthcare Systems, Rulester, ViMedicus, and Chicago Local Initiatives Support Corporation (Emeritus Chair).

**Joanna Herbert** is the Vice President of Great Lakes Regional Center, LLC and brings extensive experience forming new ventures in both the U.S. and Europe as well as experience in operations, project management, process, and technology integration. Her experience includes service as director of process design and infrastructure for a \$2B provider of post-secondary education with 75 campuses worldwide, as a project manager for Thomson Reuters' Quantitative Analytics division, as a senior consultant for RSM McGladrey's National Corporate Recovery division, and as a director of Europlus TV in Rome, Italy.

**Jim Capraro** brings 35 years of community organizing and development experience, including comprehensive community development, strategic planning, community organizing, collaboration, and nonprofit management. He was the founding executive director and CEO of the Greater Southwest Development Corporation - an organization that achieved over \$500 million in community development projects. During his tenure, GSDC was designated by the National Neighborhood Reinvestment Corporation as a national model for commercial revitalization and selected by the Chicago Local Initiatives Support Corporation (LISC) as the recipient of the "Outstanding Community Development Organization" award.

**Joel Bookman** is a consultant in economic development, comprehensive community development, and project management with 35 years of experience in the field. He has served as executive director of a nonprofit community development corporation, managing director of a national institute for comprehensive community development, a developer and CEO of senior housing and retail shopping center projects, and as an adjunct professor in the Graduate School of Business at North Park University. He holds a Master of Urban Planning and Policy from the University of Illinois at Chicago.

**Noah Jenkins** brings 20 years of experience in private and government grant writing, strategic planning, and nonprofit organizational development. Her grant writing services have raised more than \$8 million for clients to provide direct services. Her client list includes community-based organizations, universities, foundations, and advocacy organizations. She is Phi Beta Kappa and serves as adjunct faculty for two graduate programs in Chicago and has years of board service for several local nonprofits. She holds a Master of Urban Planning and Policy from the University of Illinois at Chicago.

**Jing Zhao Cesarone**, CEO, Chinawise Business Consulting LLC, brings more than 15 years of experience in strategic market entry, branding, cross-cultural communications, and public relations. In 1996, she began working for Siemens Ltd. in China to lead the company's branding and marketing efforts nationwide. In 1998, Jing left China to pursue graduate studies in communications at UIC in Chicago. After working for U.S. consulting firms, Jing started her own U.S.-China business consulting company in 2001, and has been working with U.S. businesses to bring their products and services to the China market. To date, she has successfully led more than 30 branding and marketing activities in China and has been actively engaged in bringing Chinese investments to

the U.S. through EB-5 projects and the establishment of partnerships or U.S. subsidiaries. As an experienced cross-cultural expert, Jing has been effective in leading and managing a number of U.S.-China business alliances. Her bilingual and bicultural background enables her to understand both Chinese and American cultures, thinking patterns, and decision making and business processes, all critical for a successful cross-cultural collaboration.

**John N. Hourihane, Jr.** is a founding member of Murphy & Hourihane with more than 14 years of experience representing clients in complex commercial litigation, business organization and counseling, and civil appeals. John has prosecuted and defended complex commercial disputes, shareholder derivative litigation, declaratory judgment actions, and has secured emergency injunctions relating to claims for breach of contract, fiduciary duties, fraud and professional negligence. John has also represented clients in commercial transactions relating to raising debt and equity capital, banking, recapitalizations, commercial leasing, employment matters, risk management and business planning.

John has counseled clients in actions based on violation of state and federal securities laws relating to the sale of unregistered securities and fraudulent investment schemes, and in employment controversies that focus on non-solicitation agreements and alleged breach of fiduciary duty. In addition, he has represented clients in state and federal appellate matters that involve prosecuting or defending direct appeals from judgment, securing temporary restraining orders and preliminary injunctions, and pursuing supervisory orders and enforcement of judgments. He is also skilled at alternative dispute resolution, and has represented the founders of a high tech startup in arbitrating alleged violation of employment agreements.

John is successful in complex business and financial litigation and transactions because he has a solid business background. Prior to practicing law, he was a finance manager for a manufacturing company and budget director for the Office of the Chief Judge of the Circuit Court of Cook County, Illinois. He holds both Bachelor's and Master's degrees in Business Administration from Loyola University of Chicago, and is licensed as a Certified Public Accountant in Illinois.

A graduate of Illinois Institute of Technology Chicago-Kent College of Law, John is admitted to practice in the State of Illinois. He is a member of the general and trial bars of the United States District Court for the Northern District of Illinois, the Seventh Circuit United States Court of Appeals and the United States Supreme Court.

**John Klyczek** brings a 30-year track record as a senior leader (COO, CFO, EVP) and as an executive consultant in both the manufacturing and service sectors. Areas of focus include finance, operations, IT, logistics, strategy, and M&A with large public, private equity-owned, large privately-held, and start-up businesses.

## Great Lakes Regional Center FAQs

### What is a Targeted Employment Area?

A Targeted Employment Area (TEA) is an area that, *at the time of investment*, is a rural area or an area experiencing unemployment of at least 150% of the national average. A rural area is any area outside a metropolitan statistical area (as designated by the U.S. Office of Management and Budget) or outside the boundary of any city or town having a population of 20,000 or more according to the decennial census.

### How many EB-5 visas are available each year?

The EB-5 program allots 10,000 visas per year for investors and family members whose qualifying investments result in the creation or preservation of at least ten full-time jobs for U.S. workers. Five thousand of these immigrant visas are set aside for foreigners who invest through regional centers.

### Do investors need previous business experience?

No. Investors in the EB-5 Program are not required to have any previous business experience nor are they required to demonstrate any minimum level of education. The investor must meet the requirements for net worth and capital and be able to properly document that the funds were lawfully obtained.

### Are investors required to speak English?

No. Therefore, we strongly recommend that several key project documents be translated into the investors' native language and we urge investors to obtain the services of a translator - whether a professional, a friend, attorney or family member - to assist them in understanding all investment materials.

### How does USCIS define a Troubled Business?

A **troubled business** is an enterprise that has been in existence for at least two years and has incurred a net loss during the 12- or 24-month period prior to the priority date on the immigrant investor's Form I-526. The loss for this period must be at least 20% of the troubled business' net worth prior to the loss. For purposes of determining whether the troubled business has been in existence for two years, successors in interest to the troubled business will be deemed to have been in existence for the same period of time as the business they succeeded.

### What is a new commercial enterprise?

All EB-5 investors must invest in a new commercial enterprise, which is a commercial enterprise:

- Established after Nov. 29, 1990, or
- Established on or before Nov. 29, 1990, that is:
  - 1) Purchased and the existing business is restructured or reorganized in such a way that a new commercial enterprise results, or
  - 2) Expanded through the investment with a resulting 40% increase in net worth or number of employees.

Commercial enterprise means any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to:

- Sole proprietorship
- Partnership (whether limited or general)
- Holding company

- Joint venture
- Corporation
- Business trust or other entity, which may be publicly or privately owned

This definition includes a commercial enterprise consisting of a holding company and its wholly owned subsidiaries, provided that each such subsidiary is engaged in a for-profit activity formed for the ongoing conduct of a lawful business. Note: This definition does not include noncommercial activity such as owning and operating a personal residence.

**What is an accredited investor? Do investors need to be an accredited investor to invest?**

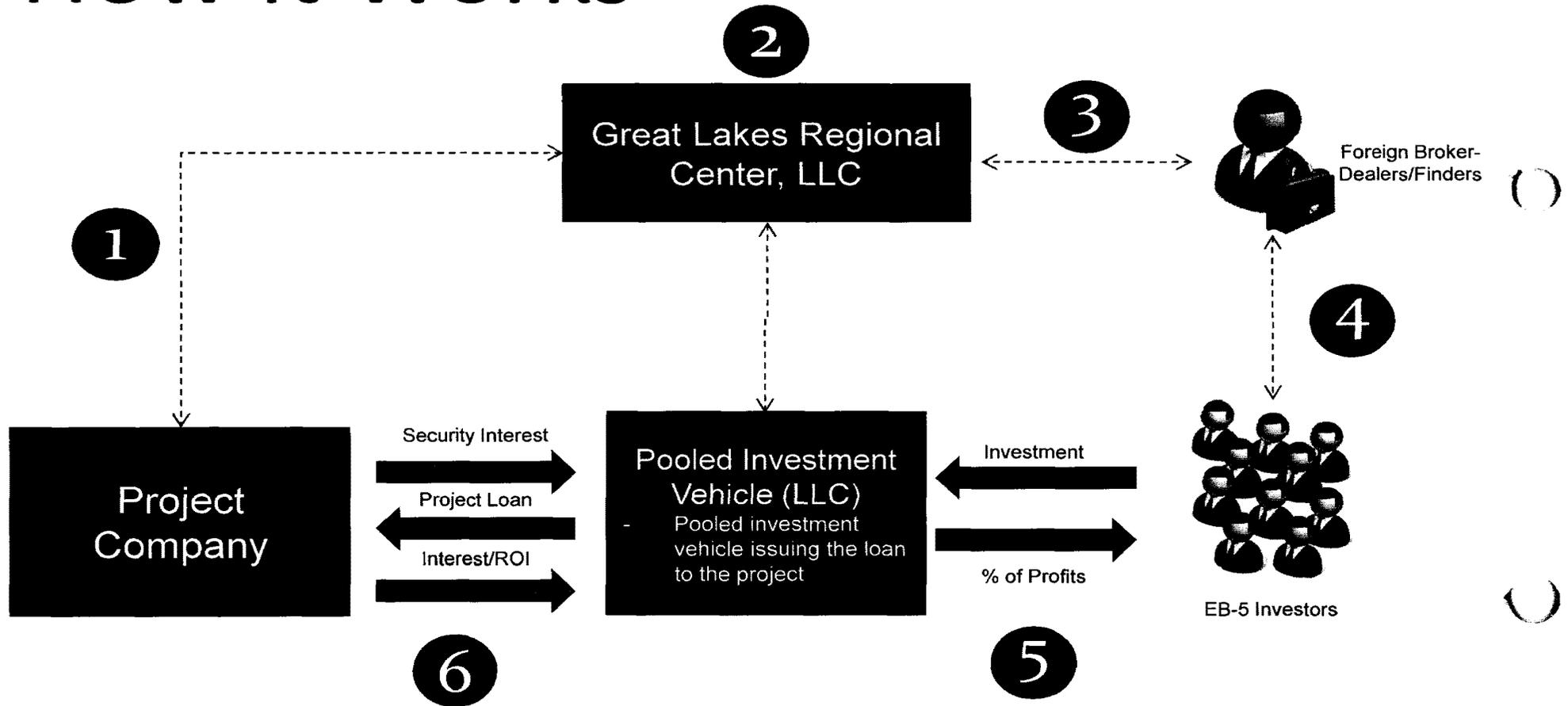
In the U.S., an accredited investor is an investor who has a net worth of at least US \$1 million (excluding the primary residence) or has made at least US \$200,000 each year for the last two years (for married applicants this amount is \$300,000) and has the expectation to make the same amount in the current year. Only investors meeting these requirements may be considered for investment in the EB-5 program.

**Do investors have to manage the investment on a day-to-day basis?**

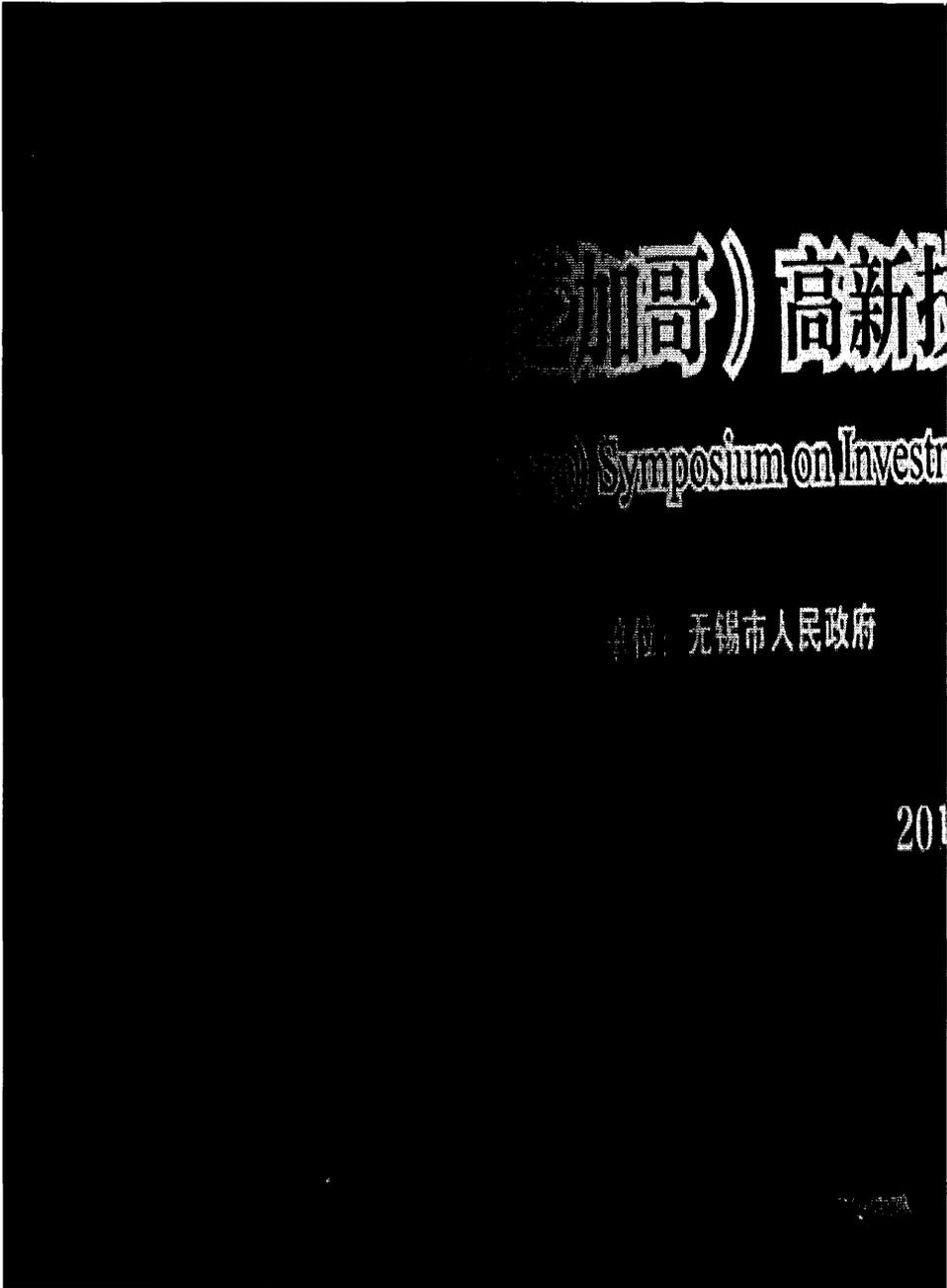
No, but the investor must be “active” in the management of the investment by engaging in the management of the new commercial enterprise, either through day-to-day managerial control or through policy formation. This allows the investor to qualify while acting as a member in a Limited Liability Company.

Our projects meet regulation requirements by enrolling the investor in the investment as a member. This role allows the investor to continue to engage in his or her own business without needing to participate in the day-to-day management operations of this investment. However, the investor is required to participate in the formation of policy activities for the LLC. The LLC structure allows the investor to live where he or she pleases, and gives the investor the option to enter and exit the U.S. without any obligation to manage the daily affairs of the investment. Most importantly, the member, like a corporate shareholder, is only liable to the enterprise to the extent of the agreed-upon investment. Our projects use this business structure to protect the investor.

# How it Works



Select Wuxi Event – Ms. Huan Lixin, Standing Member  
of Jiangsu Provincial Committee and Secretary of CPC  
Wuxi Municipal Committee



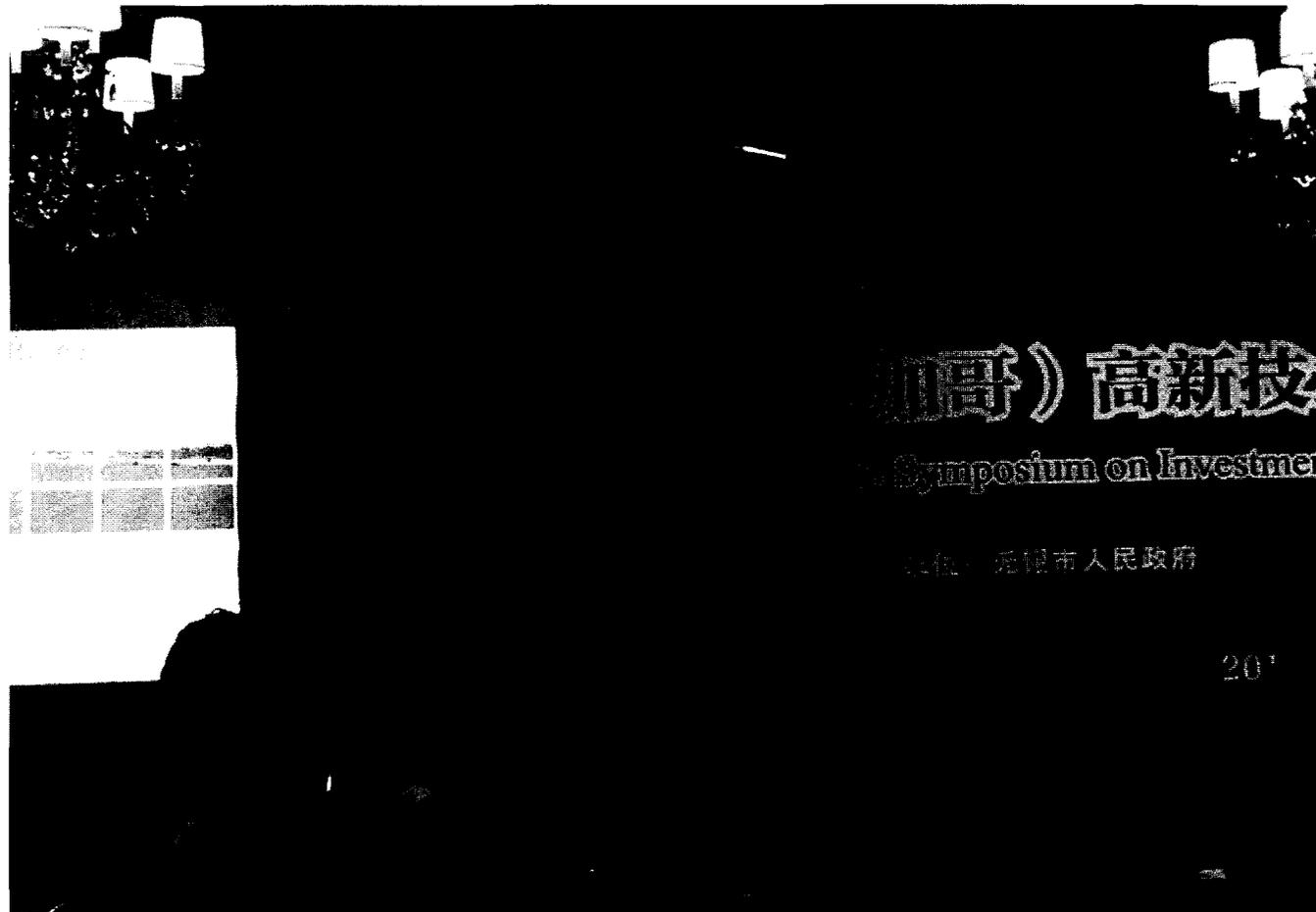
# Select Wuxi Event – China’s Deputy Counsel General of Chicago



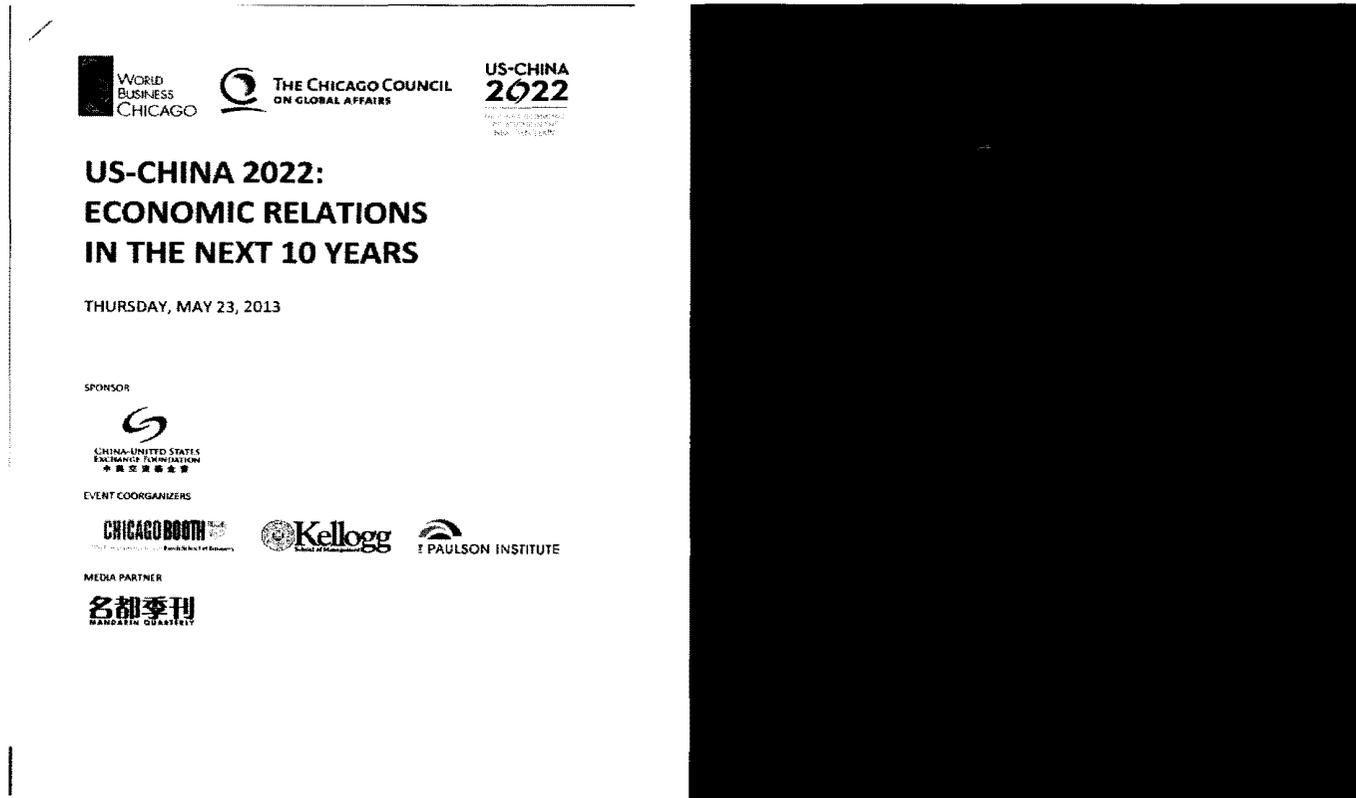
Select Wuxi Event – Hon. Richard M. Daley, Former  
Mayor of Chicago and Executive Chairman of Tur  
Partners LLC



# Select Wuxi Event – Mr. Huang Qin, Wuxi Executive Vice Mayor



# US-China 2022: Economic Relations in the Next 10 Years



The Honorable  
William M. Daley,  
former Chief of Staff,  
The White House;  
former Secretary, US  
Department of  
Commerce

# US-China 2022: Economic Relations in the Next 10 Years

**WORLD BUSINESS CHICAGO** **THE CHICAGO COUNCIL ON GLOBAL AFFAIRS** **US-CHINA 2022**

**US-CHINA 2022:  
ECONOMIC RELATIONS  
IN THE NEXT 10 YEARS**

THURSDAY, MAY 23, 2013

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EVENT COORGANIZERS

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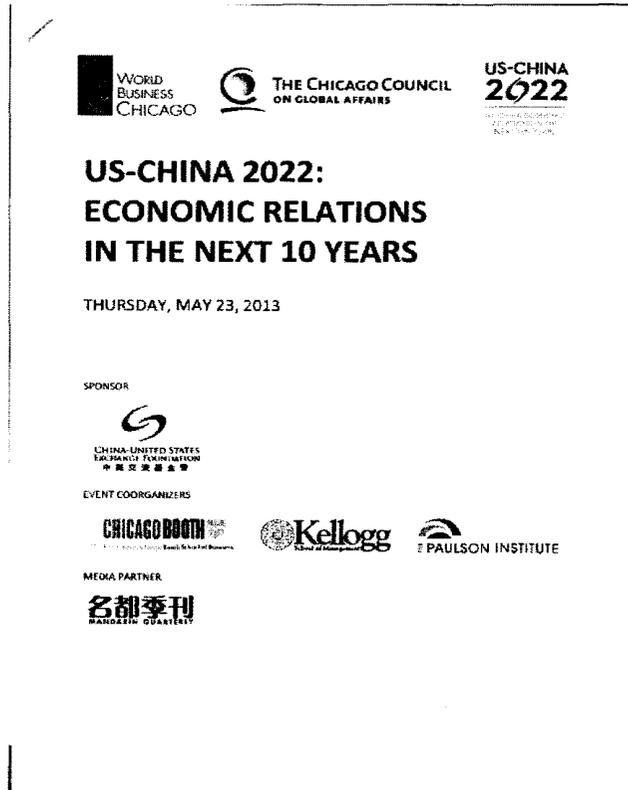
MEDIA PARTNER

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The Honorable Henry Paulson, former Secretary, US Treasury; Chairman, The Paulson Institute at the University of Chicago

# US-China 2022: Economic Relations in the Next 10 Years



WORLD BUSINESS CHICAGO THE CHICAGO COUNCIL ON GLOBAL AFFAIRS US-CHINA 2022

**US-CHINA 2022:  
ECONOMIC RELATIONS  
IN THE NEXT 10 YEARS**

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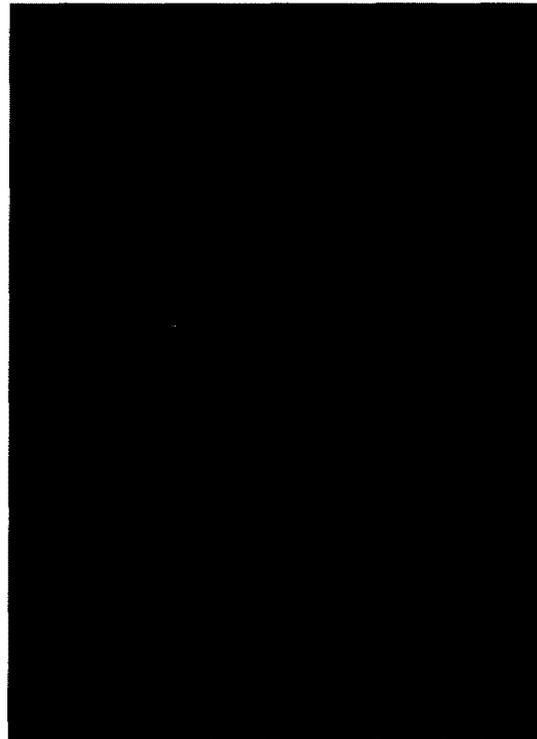
CHINA-UNITED STATES EXCHANGE FUNDATION

EVENT COORGANIZERS

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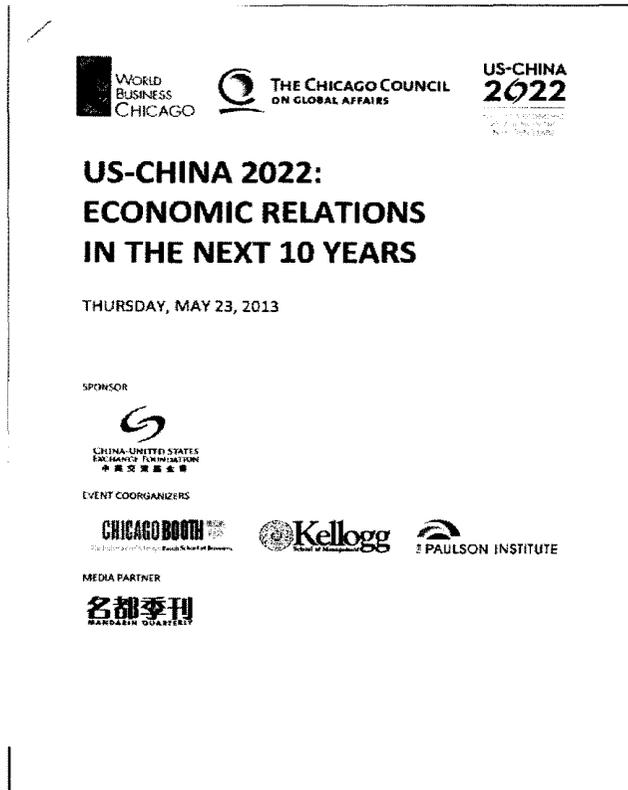
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The Honorable C.H. Tung, Chairman, The China-United States Exchange Foundation; Vice Chairman, Standing Committee of the Chinese People's Political Consultative Conference

# US-China 2022: Economic Relations in the Next 10 Years



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**US-CHINA 2022:  
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THURSDAY, MAY 23, 2013

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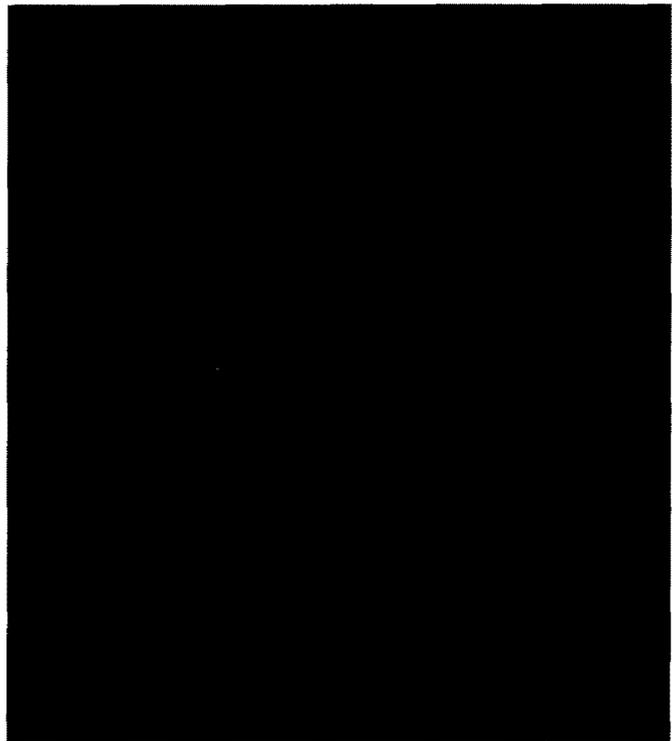
CHINA-UNITED STATES EXCHANGE FOUNDATION

EVENT COORGANIZERS

CHICAGO BOOTH Kellogg PAULSON INSTITUTE

MEDIA PARTNER

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Victor Fung,  
Chairman, The Fung  
Group; Vice  
Chairman, China-  
United States  
Exchange Foundation

# US-China 2022: Economic Relations in the Next 10 Years

**WORLD BUSINESS CHICAGO** **THE CHICAGO COUNCIL ON GLOBAL AFFAIRS** **US-CHINA 2022**

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THURSDAY, MAY 23, 2013

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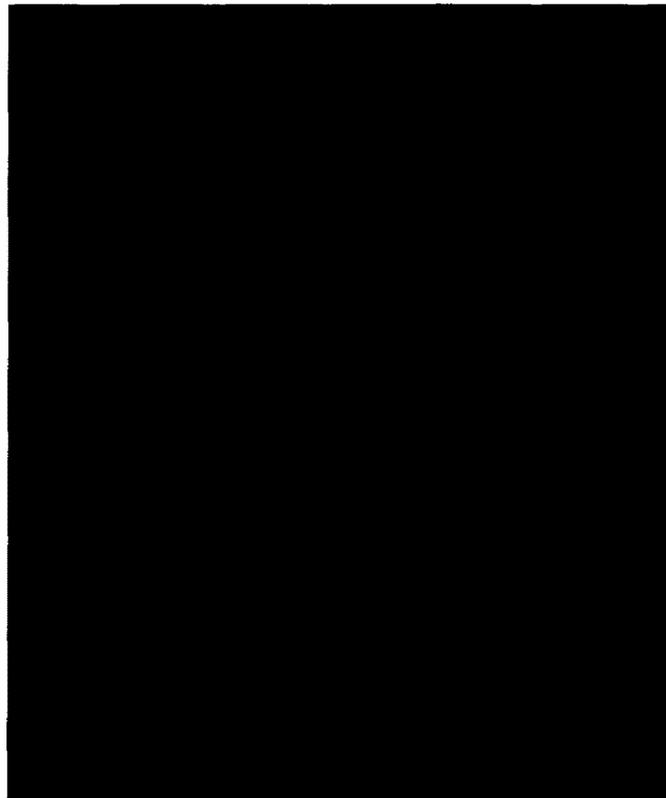
**CHINA-UNITED STATES  
FINANCIAL FORUM**  
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MAGAZINE QUARTLY



Huo Jianguo,  
President, Chinese  
Academy of  
International Trade  
and Economic  
Cooperation; former  
Deputy Director  
General Chinese  
Department of  
Foreign Economy and  
Trade

# US-China 2022: Economic Relations in the Next 10 Years



L-R: Marshall Bouton, Victor Fung, Bill  
Daley, Huo Jianguo

# The Chicago Council on Global Affairs – Illinois Senator Dick Durbin



MONDAY, JULY 8, 2013

PUBLIC PROGRAM

## SENATOR DURBIN ON US IMMIGRATION REFORM

Senator Dick Durbin, United States Senator, State of Illinois, and Assistant Majority Leader, United States Senate



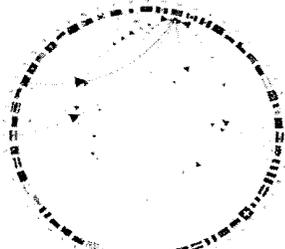
Senator Dick Durbin is the 47<sup>th</sup> US senator from the state of Illinois, the state's senior senator, and the convener of Illinois' bipartisan congressional delegation. Durbin also serves as the assistant majority leader in the US Senate. Senator Durbin has been elected to this leadership post by his Democratic colleagues every two years since 2006. In 2004, he was elected as assistant minority leader. Durbin was elected to the US Senate on November 5, 1996, and reelected in 2002 and 2008. He sits on the Senate Judiciary, Appropriations, Foreign Relations, and Rules Committees. He is the chairman of the Judiciary Committee's Subcommittee on the Constitution, Civil Rights and Human Rights, and the Appropriations Committee's Defense Subcommittee.

Native and immigrant population change



Source: U.S. Census Bureau, Census 2000 and Census 2010

Immigration patterns of Facebook users



Source: Dropbox, Facebook, NetScout24

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# The Chicago Council on Global Affairs – Ivo H. Daalder, former U.S. Ambassador to NATO



MONDAY, JULY 8, 2013

PUBLIC PROGRAM

**SENATOR DURBIN ON US IMMIGRATION REFORM**

Senator Dick Durbin, United States Senator, State of Illinois, and Assistant Majority Leader, United States Senate

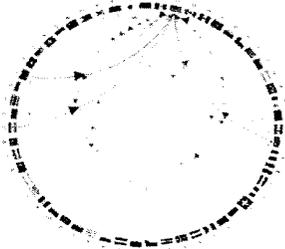


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Native and immigrant population change



Immigration patterns of Facebook users



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# The Chicago Council on Global Affairs – Illinois Senator Dick Durbin

 **WORLD BUSINESS CHICAGO**

 **THE CHICAGO COUNCIL ON GLOBAL AFFAIRS**

**US-CHINA 2022**  
AN EXPLORATION OF THE  
ECONOMIC RELATIONS  
IN THE NEXT 10 YEARS

**US-CHINA 2022:  
ECONOMIC RELATIONS  
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THURSDAY, MAY 23, 2013

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MANDARIN QUARTERLY



The Chicago Community Trust  
and the John D. and Catherine T.  
MacArthur Foundation

**Invite you to join**  
Mayor Rahm Emanuel,  
Bruce Katz\* and Jennifer Bradley\*  
of the Brookings Institution

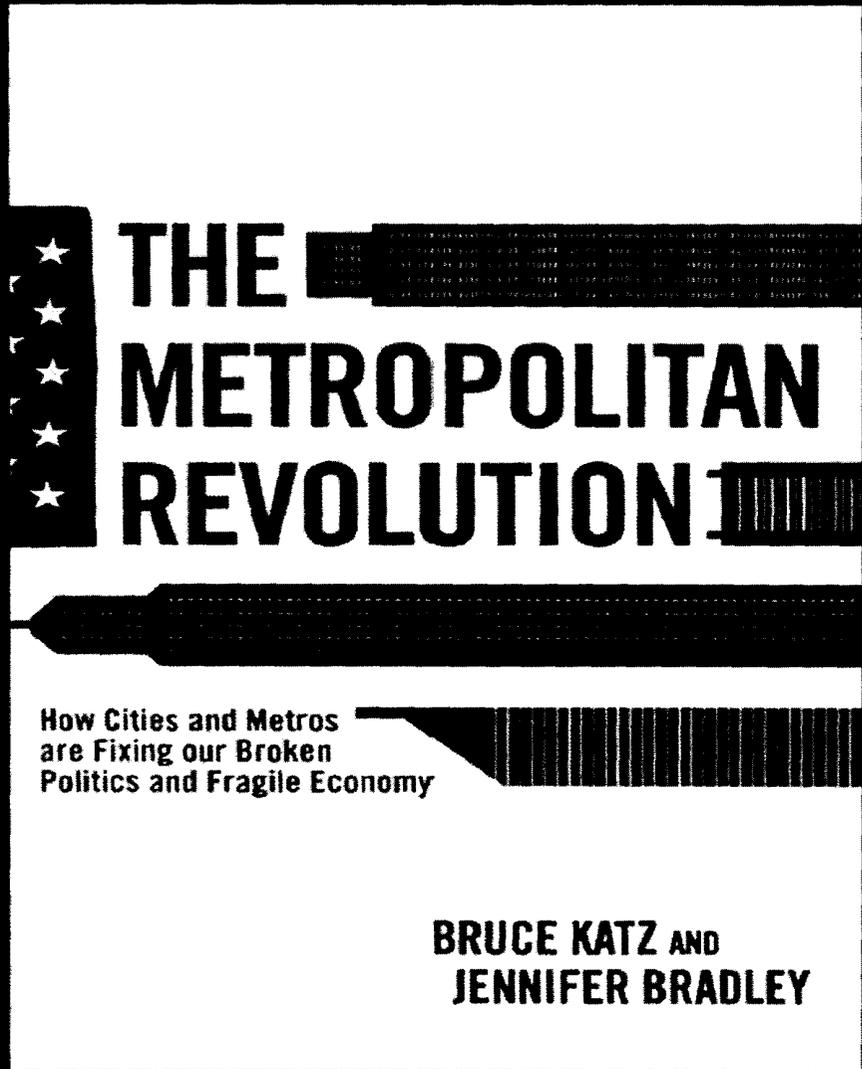
*for*  
**The Metropolitan Revolution**  
a breakfast discussion of  
The Implications and opportunities  
for Chicago's growth and influence  
in an ever-more urban nation

**Thursday, July 18<sup>th</sup> | 8:00 am**  
University Club of Chicago | 76 E Monroe St

*Business Casual | Valet Available*

**RSVP by Wednesday, July 10**  
RSVP@mkcpr.com  
312-822-0505

\*Bruce Katz is the Vice President and  
Director and Jennifer Bradley is a  
Fellow, Metropolitan Policy Program,  
Brookings Institution



**THE  
METROPOLITAN  
REVOLUTION**

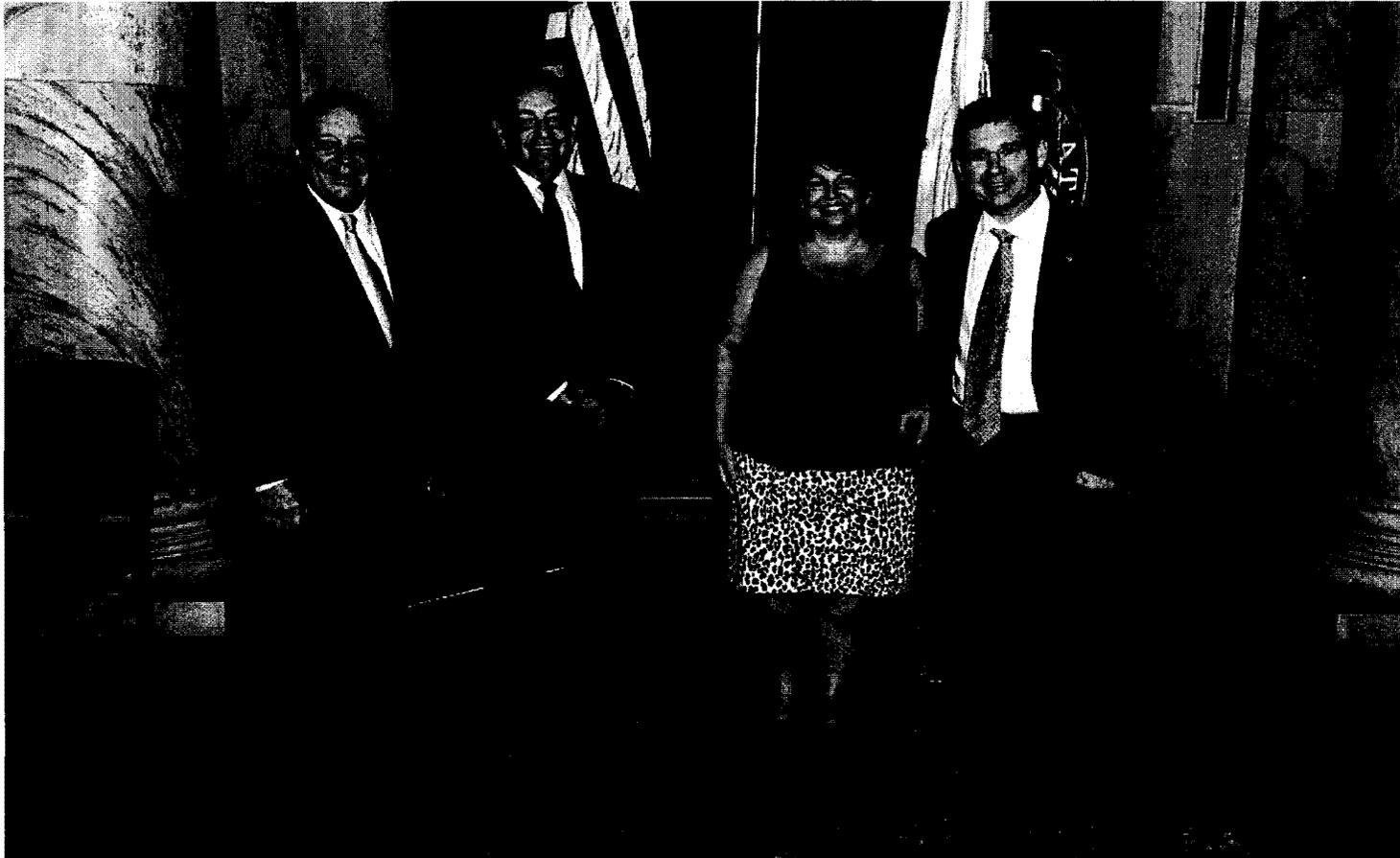
**How Cities and Metros  
are Fixing our Broken  
Politics and Fragile Economy**

**BRUCE KATZ AND  
JENNIFER BRADLEY**

The Metropolitan Revolution – Left to Right  
Mr. Bruce Katz, Vice President and Director, and Ms.  
Jennifer Bradley, Fellow, Metropolitan Policy Program,  
Brookings Institution, the Honorable Mayor Rahm  
Emanuel, Mayor of Chicago



GLRC's visit to Washington, DC – Left to Right  
Illinois Senator Dick Durbin, GLRC's David B. Anderson  
and Joanna Herbert, Illinois Senator Mark Kirk





## OFFICE OF THE MAYOR

KAREN FREEMAN-WILSON  
MAYOR

Phone 219.881.1302  
Fax 219.881.1337

July 22, 2013

Mr. Daniel M. Renaud  
Acting Chief, Immigrant Investor Program  
U.S. Citizenship and Immigration Services  
U.S. Department of Homeland Security  
24000 Avila Road, 2nd Floor  
Laguna Niguel, CA 92677

Dear Chief Renaud:

I am writing in support of Great Lakes Regional Center as they seek designation as a Regional Center to be located in Gary, Indiana under the EB-5 Immigrant Investor program administered by U.S. Citizenship and Immigration Services.

While many states have seen significant contributions to their economies through the program (a recent Wall Street Journal article cites the EB-5 program as having contributed more than \$1.8 billion to the U.S. economy [1].), Indiana has not yet been successful in attracting significant EB-5 investment.

Successful investment through the EB-5 program will enhance economic development to a meaningful extent in the northwestern Indiana area encompassed by the eleven counties Great Lakes Regional Center would cover. Having a successful Regional Center will promote economic growth through increased export sales, improve regional productivity, create new jobs, and increase domestic capital investment.

The professionals involved with Great Lakes Regional Center have significant business and community development experience as well as significant experience conducting business in Asia, South America and Europe which uniquely positions them to identify and attract foreign investors and partner those investors with local projects seeking investment.

Again, I would like to express my support for Great Lakes Regional Center as they request to join the EB-5 program. I urge you to give serious consideration to their request. If you have any questions or need more information, please do not hesitate to contact my office at 219-881-1302 or [kfreemanwilson@ci.gary.in.us](mailto:kfreemanwilson@ci.gary.in.us).

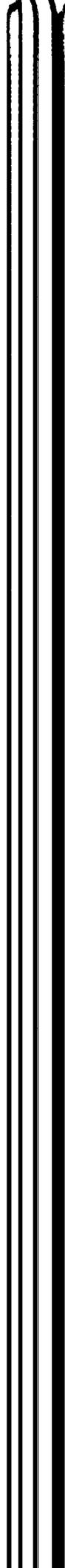
Sincerely,

Karen Freeman-Wilson, Mayor  
City of Gary

---

[1] Wall Street Journal website: <http://online.wsj.com/article/SB10001424127887324445904578285863761735122.html>

ville



# CITY OF CRAWFORDSVILLE

CRAWFORDSVILLE, INDIANA 47933

July 17, 2013

Mr. Daniel M. Renaud  
Acting Chief, Immigrant Investor Program  
U.S. Citizenship and Immigration Services  
U.S. Department of Homeland Security  
24000 Avila Road, 2nd Floor  
Laguna Niguel, CA 92677

Dear Chief Renaud:

I am writing in support of Great Lakes Regional Center as they seek designation as a Regional Center under the EB-5 Immigrant Investor program administered by U.S. Citizenship and Immigration Services.

While many states have seen significant contributions to their economies through the program (a recent Wall Street Journal article cites the EB-5 program as having contributed more than \$1.8 billion to the U.S. economy<sup>[1]</sup>), Indiana has not yet been successful in attracting significant EB-5 investment.

Successful investment through the EB-5 program will enhance economic development to a meaningful extent in the northwestern Indiana area encompassed by the eleven counties Great Lakes Regional Center would cover. Having a successful Regional Center will promote economic growth through increased export sales, improve regional productivity, create new jobs, and increase domestic capital investment. This impact would extend to our community in Central Indiana as well through our collaborative agreement with Sterling Energy Group, Inc. of Gary, Indiana.

The professionals involved with Great Lakes Regional Center have significant business and community development experience as well as significant experience conducting business in Asia, South America and Europe which uniquely positions them to identify and attract foreign investors and partner those investors with local projects seeking investment.

Again, I would like to express my support for Great Lakes Regional Center as they request to join the EB-5 program. I urge you to give serious consideration to their request. If you have any questions or need more information, please do not hesitate to contact my office at 765-364-5160 or [tbarton@crawfordsville-in.gov](mailto:tbarton@crawfordsville-in.gov).

Sincerely,



Mayor Todd D. Barton

<sup>1)</sup> Wall Street Journal

website: <http://online.wsj.com/article/SB10001424127887324445904578285863761735122.html>



2500 LAKE AVENUE • VILLAGE OF LAKEWOOD, IL 60014  
815 / 459-3025 • FAX 815 / 459-3156

April 15, 2013

U.S. Citizenship and Immigration Services  
California Service Center  
Attn. EB 5 Processing Unit  
24000 Avila Road, 2nd Floor  
Laguna Niguel, CA 92677

*RE: Great Lakes Regional Center, LLC*

To Whom It May Concern:

This letter is written in strong support of the application being filed by the Great Lakes Regional Center, LLC for designation as a Regional Center under the federal EB 5 Program.

The Village of Lakewood began meeting with David Anderson and Joanna Herbert nearly a year ago, when they first began to explore the concept of establishing a new Regional Center. From the beginning, it has been apparent that they have a strong desire to learn from the mistakes of other Regional Centers, as well as to incorporate the best practices of the highest functioning Regional Centers from throughout the country. They have a clear understanding of the responsibilities and obligations of a Regional Center. Their entire process is built around transparency.

Both Mr. Anderson and Ms. Herbert have a long record of professional accomplishments, and they have managed to do so with integrity. They have the education, experience, and character to insure that the Great Lakes Regional Center, LLC is a success.

The state of Illinois continues to face serious fiscal challenges which negatively impact the business climate, and an increasing number of companies are simply choosing to relocate to states which are more business friendly. As a county which borders the state of Wisconsin, we are at a particular disadvantage. Approval of the Great Lakes Regional Center, LLC will simply provide the Village of Lakewood and our neighboring communities with access to an effective tool to spur economic development and investment within our region.

Thank you for your consideration of the application of the Great Lakes Regional Center, LLC. Please do not hesitate to contact me for further information regarding this matter.

Sincerely,

Erin Smith, President  
Village of Lakewood *ES*

*Appendix G – U.S. Census Population and Growth Statistics for Geographic Focus Area*

<b>Cook County, Illinois</b>	
Population, 2012 Estimate	5,231,351
Population Percent Change April 2010-July 2012	0.7%
Population Estimate Base	5,194,675
<b>DuPage County, Illinois</b>	
Population, 2012 Estimate	927,987
Population Percent Change April 2010-July 2012	1.2%
Population Estimate Base	916,924
<b>Will County, Illinois</b>	
Population, 2012 Estimate	682,518
Population Percent Change April 2010-July 2012	0.7%
Population Estimate Base	677,560
<b>Kane County, Illinois</b>	
Population, 2012 Estimate	522,487
Population Percent Change April 2010-July 2012	1.4%
Population Estimate Base	515,269
<b>Lake County, Illinois</b>	
Population, 2012 Estimate	702,120
Population Percent Change April 2010-July 2012	-0.2%
Population Estimate Base	703,462
<b>McHenry County, Illinois</b>	
Population, 2012 Estimate	308,145
Population Percent Change April 2010-July 2012	-0.2%
Population Estimate Base	308,760
<b>DeKalb County, Illinois</b>	
Population, 2012 Estimate	104,704
Population Percent Change April 2010-July 2012	-0.4%
Population Estimate Base	105,160

**Kendall County, Illinois**

Population, 2012 Estimate	118,105
Population Percent Change April 2010-July 2012	2.9%
Population Estimate Base	114,736

**Grundy County, Illinois**

Population, 2012 Estimate	50,281
Population Percent Change April 2010-July 2012	0.4%
Population Estimate Base	50,063

**Kenosha County, Wisconsin**

Population, 2012 Estimate	167,936
Population Percent Change April 2010-July 2012	0.9%
Population Estimate Base	166,426

**Jasper County, Indiana**

Population, 2012 Estimate	33,456
Population Percent Change April 2010-July 2012	-0.1%
Population Estimate Base	33,478

**Lake County, Indiana**

Population, 2012 Estimate	493,618
Population Percent Change April 2010-July 2012	-0.5%
Population Estimate Base	496,005

**Newton County, Indiana**

Population, 2012 Estimate	14,044
Population Percent Change April 2010-July 2012	-1.4%
Population Estimate Base	14,244

**Porter County, Indiana**

Population, 2012 Estimate	165,682
Population Percent Change April 2010-July 2012	0.8%
Population Estimate Base	164,343

*Appendix H – Current Illinois TEAs Within GLRC’s Geographic Focus Area*

Illinois communities, cities and villages within GLRC’s geographic focus area in Illinois that currently qualify as TEAs:

Name	Description	County
Auburn Gresham	Chicago Community Area	Cook
Austin	Chicago Community Area	Cook
Burnside	Chicago Community Area	Cook
Chatham	Chicago Community Area	Cook
Chicago Lawn	Chicago Community Area	Cook
Douglas	Chicago Community Area	Cook
East Garfield Park	Chicago Community Area	Cook
East Side	Chicago Community Area	Cook
Englewood	Chicago Community Area	Cook
Fuller Park	Chicago Community Area	Cook
Grand Boulevard	Chicago Community Area	Cook
Greater Grand Crossing	Chicago Community Area	Cook
Hermosa	Chicago Community Area	Cook
Humboldt Park	Chicago Community Area	Cook
Near West Side	Chicago Community Area	Cook
New City	Chicago Community Area	Cook
North Lawndale	Chicago Community Area	Cook
Oakland	Chicago Community Area	Cook
Pullman	Chicago Community Area	Cook
Riverdale	Chicago Community Area	Cook
Roseland	Chicago Community Area	Cook
South Chicago	Chicago Community Area	Cook
South Deering	Chicago Community Area	Cook
South Lawndale	Chicago Community Area	Cook
South Shore	Chicago Community Area	Cook
Washington Heights	Chicago Community Area	Cook
Washington Park	Chicago Community Area	Cook
West Englewood	Chicago Community Area	Cook
West Garfield Park	Chicago Community Area	Cook
West Pullman	Chicago Community Area	Cook
Woodlawn	Chicago Community Area	Cook
Bellwood	Village	Cook
Blue Island	City	Cook
Broadview	Village	Cook
Burnham	Village	Cook
Calumet Park	Village	Cook

Chicago Heights	City	Cook
Country Club Hills	City	Cook
Dixmoor	Village	Cook
Dolton	Village	Cook
Ford Heights	Village	Cook
Forest View	Village	Cook
Harvey	City	Cook
Hazel Crest	Village	Cook
Lyons	Village	Cook
Markham	City	Cook
Maywood	Village	Cook
Phoenix	Village	Cook
Posen	Village	Cook
Riverdale	Village	Cook
Robbins	Village	Cook
Sauk	Village	Cook
Stone Park	Village	Cook
Summit	Village	Cook
Genoa	City	De Kalb
Kirkland	Village	De Kalb
Somonauk	Village	De Kalb
Waterman	Village	De Kalb
Braceville	Village	Grundy
South Wilmington	Village	Grundy
Lisbon	Village	Kendall
Millington	Village	Kendall
North Chicago	City	Lake
Old Mill Creek	Village	Lake
Park City	City	Lake
Round Lake Beach	Village	Lake
Round Lake Heights	Village	Lake
Round Lake Park	Village	Lake
Round Lake	Village	Lake
Volo	Village	Lake
Harvard	City	McHenry
Godley	Village	Will
Rockdale	Village	Will
Steger	Village	Will
University Park	Village	Will
Wilmington	City	Will

Source: Illinois Department of Employment Security, Economic Information and Analysis.  
Retrieved July 30, 2013

Illinois census tracts within GLRC’s geographic focus area in Illinois that currently qualify as TEAs:

Census Tract	Area Description	County
101	Chicago - City	Cook
109	Chicago - City	Cook
312	Chicago - City	Cook
316	Chicago - City	Cook
514	Chicago - City	Cook
707	Chicago - City	Cook
805	Chicago - City	Cook
808	Chicago - City	Cook
819	Chicago - City	Cook
1304	Chicago - City	Cook
2004	Chicago - City	Cook
2005	Chicago - City	Cook
2006	Chicago - City	Cook
2102	Chicago - City	Cook
2104	Chicago - City	Cook
2207	Chicago - City	Cook
2210	Chicago - City	Cook
2225	Chicago - City	Cook
2229	Chicago - City	Cook
2302	Chicago - City	Cook
2305	Chicago - City	Cook
2306	Chicago - City	Cook
2307	Chicago - City	Cook
2309	Chicago - City	Cook
2310	Chicago - City	Cook
2311	Chicago - City	Cook
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2832	Chicago - City	Cook
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2840	Chicago - City	Cook
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3801	Chicago - City	Cook
3802	Chicago - City	Cook
3803	Chicago - City	Cook
3804	Chicago - City	Cook
3805	Chicago - City	Cook
3806	Chicago - City	Cook
3807	Chicago - City	Cook
3808	Chicago - City	Cook

3809	Chicago - City	Cook
3810	Chicago - City	Cook
3812	Chicago - City	Cook
3814	Chicago - City	Cook
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3819	Chicago - City	Cook
3820	Chicago - City	Cook
3901	Chicago - City	Cook
3902	Chicago - City	Cook
3903	Chicago - City	Cook
3904	Chicago - City	Cook
4001	Chicago - City	Cook
4002	Chicago - City	Cook
4003	Chicago - City	Cook
4005	Chicago - City	Cook
4006	Chicago - City	Cook
4007	Chicago - City	Cook
4008	Chicago - City	Cook
4202	Chicago - City	Cook
4204	Chicago - City	Cook
4205	Chicago - City	Cook
4206	Chicago - City	Cook
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4208	Chicago - City	Cook
4209	Chicago - City	Cook
4210	Chicago - City	Cook
4211	Chicago - City	Cook
4212	Chicago - City	Cook
4301	Chicago - City	Cook
4302	Chicago - City	Cook
4303	Chicago - City	Cook
4304	Chicago - City	Cook
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4307	Chicago - City	Cook
4308	Chicago - City	Cook
4309	Chicago - City	Cook
4310	Chicago - City	Cook
4312	Chicago - City	Cook
4313	Chicago - City	Cook
4314	Chicago - City	Cook

4401	Chicago - City	Cook
4404	Chicago - City	Cook
4407	Chicago - City	Cook
4408	Chicago - City	Cook
4409	Chicago - City	Cook
4501	Chicago - City	Cook
4601	Chicago - City	Cook
4602	Chicago - City	Cook
4603	Chicago - City	Cook
4604	Chicago - City	Cook
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4606	Chicago - City	Cook
4607	Chicago - City	Cook
4608	Chicago - City	Cook
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5101	Chicago - City	Cook
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5202	Chicago - City	Cook
5203	Chicago - City	Cook
5204	Chicago - City	Cook
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5302	Chicago - City	Cook
5304	Chicago - City	Cook

5305	Chicago - City	Cook
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5401	Chicago - City	Cook
5602	Chicago - City	Cook
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5809	Chicago - City	Cook
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6014	Chicago - City	Cook
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6608	Chicago - City	Cook
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6703	Chicago - City	Cook
6704	Chicago - City	Cook
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7307	Chicago - City	Cook
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8024.02	Split Area	Cook
8045.04	Hanover Park - Village	Cook
8047.09	Split Area	Cook
8065.01	Des Plaines - City	Cook
8082	Niles - Village	Cook
8096	Evanston - City	Cook
8102	Evanston - City	Cook
8117.01	Split Area	Cook
8131	Oak Park - Village	Cook
8133	Cicero - Town	Cook
8136	Cicero - Town	Cook
8143	Cicero - Town	Cook
8151	Berwyn - City	Cook
8153	Berwyn - City	Cook
8164.01	Melrose Park - Village	Cook
8165	Split Area	Cook
8166	Stone Park - Village	Cook
8169	Bellwood - Village	Cook
8170	Bellwood - Village	Cook
8171.01	Bellwood - Village	Cook
8171.02	Bellwood - Village	Cook
8172	Maywood - Village	Cook
8173	Maywood - Village	Cook
8175	Maywood - Village	Cook
8176	Maywood - Village	Cook
8179	Split Area	Cook

8183	Hillside - Village	Cook
8192	Lyons - Village	Cook
8204	Summit - Village	Cook
8208	Split Area	Cook
8209.01	Split Area	Cook
8212	Split Area	Cook
8214.01	Calumet Park - Village	Cook
8214.02	Calumet Park - Village	Cook
8215	Riverdale - Village	Cook
8223.01	Oak Lawn - Village	Cook
8224	Split Area	Cook
8231.01	Split Area	Cook
8235	Blue Island - City	Cook
8236.03	Split Area	Cook
8243	Split Area	Cook
8244	Split Area	Cook
8247.01	Midlothian - Village	Cook
8248	Split Area	Cook
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8255.01	Split Area	Cook
8255.03	Split Area	Cook
8255.04	Split Area	Cook
8255.05	Split Area	Cook
8256	Split Area	Cook
8257	Burnham - Village	Cook
8258.01	Split Area	Cook
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8260	CalumetCity - City	Cook
8261	CalumetCity - City	Cook
8262.01	Split Area	Cook
8263.01	Split Area	Cook
8263.03	Split Area	Cook
8264.02	Dolton - Village	Cook
8265	Dolton - Village	Cook
8266	Riverdale - Village	Cook
8267	Riverdale - Village	Cook
8268	Split Area	Cook
8269.01	Harvey - City	Cook
8269.02	Harvey - City	Cook
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8272	Split Area	Cook
8273	Harvey - City	Cook

8274	Split Area	Cook
8275	Split Area	Cook
8276	Markham - City	Cook
8277	Hazel Crest - Village	Cook
8278.04	South Holland - Village	Cook
8279.02	Lansing - Village	Cook
8280	Lansing - Village	Cook
8285.03	Split Area	Cook
8285.04	Split Area	Cook
8289	Chicago Heights - City	Cook
8290	Chicago Heights - City	Cook
8291	Chicago Heights - City	Cook
8293.02	Split Area	Cook
8294.01	Chicago Heights - City	Cook
8296	Steger - Village	Cook
8297	Split Area	Cook
8299.01	Split Area	Cook
8300.03	Split Area	Cook
1	Split Area	DeKalb
10	Split Area	DeKalb
19	Split Area	DeKalb
21	Split Area	DeKalb
8401.01	Split Area	Du Page
8409.01	Split Area	Du Page
8414.01	Split Area	Du Page
8425	Wheaton - City	Du Page
8432	Villa Park - Village	Du Page
8455.03	Split Area	Du Page
8461.04	Split Area	Du Page
8464.05	Split Area	Du Page
3	Morris - City	Grundy
4	Split Area	Grundy
9	Split Area	Grundy
8502.02	Split Area	Kane
8503.01	Split Area	Kane
8509	Elgin - City	Kane
8512	Elgin - City	Kane
8513	Elgin - City	Kane
8515	Elgin - City	Kane
8516	Elgin - City	Kane
8518.02	Split Area	Kane
8529.05	Split Area	Kane
8531	Aurora - City	Kane

8532	Aurora - City	Kane
8535	Aurora - City	Kane
8536	Aurora - City	Kane
8537	Aurora - City	Kane
8538	Aurora - City	Kane
8543	Split Area	Kane
8544	Split Area	Kane
8902.02	Boulder Hill CDP	Kendall
8601.04	Split Area	Lake
8603.02	Zion - City	Lake
8604	Split Area	Lake
8605	Zion - City	Lake
8609.04	Split Area	Lake
8609.05	Split Area	Lake
8609.06	Split Area	Lake
8610.1	Split Area	Lake
8610.13	Split Area	Lake
8612.01	Split Area	Lake
8612.02	Split Area	Lake
8613.01	Split Area	Lake
8613.03	Split Area	Lake
8613.04	Round Lake Beach - Village	Lake
8614.02	Split Area	Lake
8614.03	Split Area	Lake
8614.04	Split Area	Lake
8615.1	Split Area	Lake
8616.04	Split Area	Lake
8618.05	Waukegan - City	Lake
8618.15	Waukegan - City	Lake
8619.01	Split Area	Lake
8620	Waukegan - City	Lake
8622	Waukegan - City	Lake
8623	Waukegan - City	Lake
8624.02	Waukegan - City	Lake
8625.01	Waukegan - City	Lake
8625.02	Waukegan - City	Lake
8626.04	Split Area	Lake
8626.05	Split Area	Lake
8627	Waukegan - City	Lake
8628	North Chicago - City	Lake
8629.01	North Chicago - City	Lake
8629.02	North Chicago - City	Lake
8631	North Chicago - City	Lake

8632.01	North Chicago - City	Lake
8640.02	Split Area	Lake
8641.01	Split Area	Lake
8642.06	Split Area	Lake
8643.06	Split Area	Lake
8643.07	Split Area	Lake
8645.2	Split Area	Lake
8658.01	Highland Park - City	Lake
8801.1	Split Area	Will
8801.13	Bolingbrook - Village	Will
8807	Split Area	Will
8810.06	Homer Glen - Village	Will
8812	Split Area	Will
8813	Joliet - City	Will
8819	Joliet - City	Will
8820	Joliet - City	Will
8821	Joliet - City	Will
8822	Split Area	Will
8823	Split Area	Will
8824	Split Area	Will
8825	Joliet - City	Will
8826	Joliet - City	Will
8828	Joliet - City	Will
8829	Split Area	Will
8830	Split Area	Will
8831	Split Area	Will
8836.04	Split Area	Will
8837	Steger - Village	Will
8838.03	Split Area	Will

Source: Illinois Department of Employment Security, Economic Information and Analysis.  
Retrieved July 30, 2013

*Appendix I – Current Indiana TEAs Within GLRC’s Geographic Focus Area*

Indiana communities, cities and villages within GLRC’s geographic focus area that currently qualify as TEAs:

Name	Description	County
Gillam	Township	Jasper
Jordan	Township	Jasper
Union	Township	Jasper
Calumet	Township	Lake
Cedar Lake	Town (Part)	Lake
East Chicago	City	Lake
Gary	City	Lake
Hobart	Township (Part)	Lake
Hobart	City (Part)	Lake
Lake Station	City	Lake
New Chicago	Town	Lake
Whiting	City	Lake
Whiting	City	Lake
Beaver	Township (Part)	Newton
Colfax	Township	Newton
Goodland	Town	Newton
Grant	Township	Newton
McClellan	Township	Newton
Portage	City (Part)	Porter
Town of Pines	Town	Porter

Source: Employment and Training Administration, Areas of Substantial Unemployment (ASU) data.  
Retrieved July 30, 2013

Indiana census tracts within GLRC’s geographic focus area that currently qualify as TEAs:

Census Tract	Area Description	County
990800	Gillam - Township	Jasper
991000	Union - Township	Jasper
991200	Barkley - Township	Jasper
991300	Jordan - Township	Jasper
010202	Calumet - Township	Lake
010203	Calumet - Township	Lake
010400	Calumet - Township	Lake
010500	Calumet - Township	Lake
010600	Calumet - Township	Lake
010700	Calumet - Township	Lake
010800	Calumet - Township	Lake

010900	Calumet - Township	Lake
011000	Calumet - Township	Lake
011200	Calumet - Township	Lake
011300	Calumet - Township	Lake
011400	Calumet - Township	Lake
011500	Calumet - Township	Lake
011600	Calumet - Township	Lake
011700	Calumet - Township	Lake
011900	Calumet - Township	Lake
012000	Calumet - Township	Lake
012100	Calumet - Township	Lake
012200	Calumet - Township	Lake
012300	Calumet - Township	Lake
012400	Calumet - Township	Lake
012600	Calumet - Township	Lake
020400	North - Township	Lake
020500	North - Township	Lake
020600	North - Township	Lake
020700	North - Township	Lake
020800	North - Township	Lake
021100	North - Township	Lake
021800	North - Township	Lake
030100	North - Township	Lake
030200	North - Township	Lake
030300	North - Township	Lake
030400	North - Township	Lake
030500	North - Township	Lake
030600	North - Township	Lake
031000	North - Township	Lake
040200	North - Township	Lake
041001	Calumet - Township	Lake
041500	Calumet - Township	Lake
041600	Hobart - Township	Lake
041700	Hobart - Township	Lake
042403	Ross - Township	Lake
990500	Colfax - Township	Newton
990600	Grant - Township	Newton
050403	Portage - Township	Porter

Source: Employment and Training Administration, Areas of Substantial Unemployment (ASU) data.  
Retrieved July 30, 2013

*Appendix J – Current Wisconsin TEAs Within GLRC’s Geographic Focus Area*

Wisconsin census tracts within GLRC’s geographic focus area which currently qualify as TEAs:

Census Tract	Area Description	County
15	Kenosha - City	Kenosha
9	Kenosha - City	Kenosha
11	Kenosha - City	Kenosha
16	Kenosha - City	Kenosha
17	Kenosha - City	Kenosha
13	Kenosha - City	Kenosha
7	Kenosha - City	Kenosha

Source: Impact Data Source. Retrieved July 30, 2013.

**Smith, Raymond R**

---

**From:** Franklin, Donjo T  
**Sent:** Monday, October 27, 2014 8:23 AM  
**To:** Smith, Raymond R  
**Subject:** FW: Request for Clarification: Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC  
**Attachments:** SchwabStatement093014.pdf; Appendix C - GLRC Financial Projections.pdf  
**Categories:** Red Category

---

**From:** David B. Anderson [<mailto:anderson@greatlakesregionalcenter.com>]  
**Sent:** Saturday, October 25, 2014 5:01 AM  
**To:** USCIS Immigrant Investor Program  
**Cc:** [joanna@greatlakesregionalcenter.com](mailto:joanna@greatlakesregionalcenter.com); 'Anna Morzy'; [ecannon@fragomen.com](mailto:ecannon@fragomen.com)  
**Subject:** RE: Request for Clarification: Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Sir or Madam:

In response to your Request for Clarification dated October 22, 2014 regarding Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center (GLRC), LLC, please note the following: (b)(4)

As indicated in our original submission, I, David B. Anderson, am the Founder and Managing Member of



I trust that this evidence will be sufficient to provide the clarification required, but if not please provide further details on what is necessary and I will be happy to immediately provide further details.

Regards,

David B. Anderson (b)(6)  
M:

---

**From:** USCIS Immigrant Investor Program [<mailto:USCIS.ImmigrantInvestorProgram@uscis.dhs.gov>]  
**Sent:** Wednesday, October 22, 2014 7:03 AM  
**To:** [Anderson@greatlakesregionalcenter.com](mailto:Anderson@greatlakesregionalcenter.com)  
**Cc:** [ecannon@fragomen.com](mailto:ecannon@fragomen.com)  
**Subject:** Request for Clarification: Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Great Lakes Regional Center, LLC,

USCIS is in the process of finalizing the adjudication of your Form I-924 application for initial designation as a Regional Center. USCIS adjudicated the projects submitted with the application as hypothetical projects as requested in your June 12, 2014 attorney letter. Page 3 of the Operating Agreement states that, [REDACTED]

[REDACTED]

[REDACTED] Therefore, USCIS is requesting clarification pertaining to where additional funds will come from.

***Please submit additional evidence identifying the source of funds and how the amount is sufficient to sustain the regional center. Please include detail descriptions of the budget activity, and the source of the funds that have or will be used for these activities.***

Please respond within 10 business days of the date of this email. If a response is not received within 10 days, we will proceed with the adjudication of your application as submitted. Your response should be directed to this email address: [CSC-EB5-RCID3-5@uscis.dhs.gov](mailto:CSC-EB5-RCID3-5@uscis.dhs.gov). If you choose to mail your response, please include a copy of this email in your package. You may mail your response to the following address:

U.S. Citizenship and Immigration Services, Immigrant Investor Program  
131 M Street Avenue, NE., Mailstop 2235, Washington, D.C. 20529.

If you have any further questions or concerns regarding this email, please do not hesitate to contact us.

Sincerely,

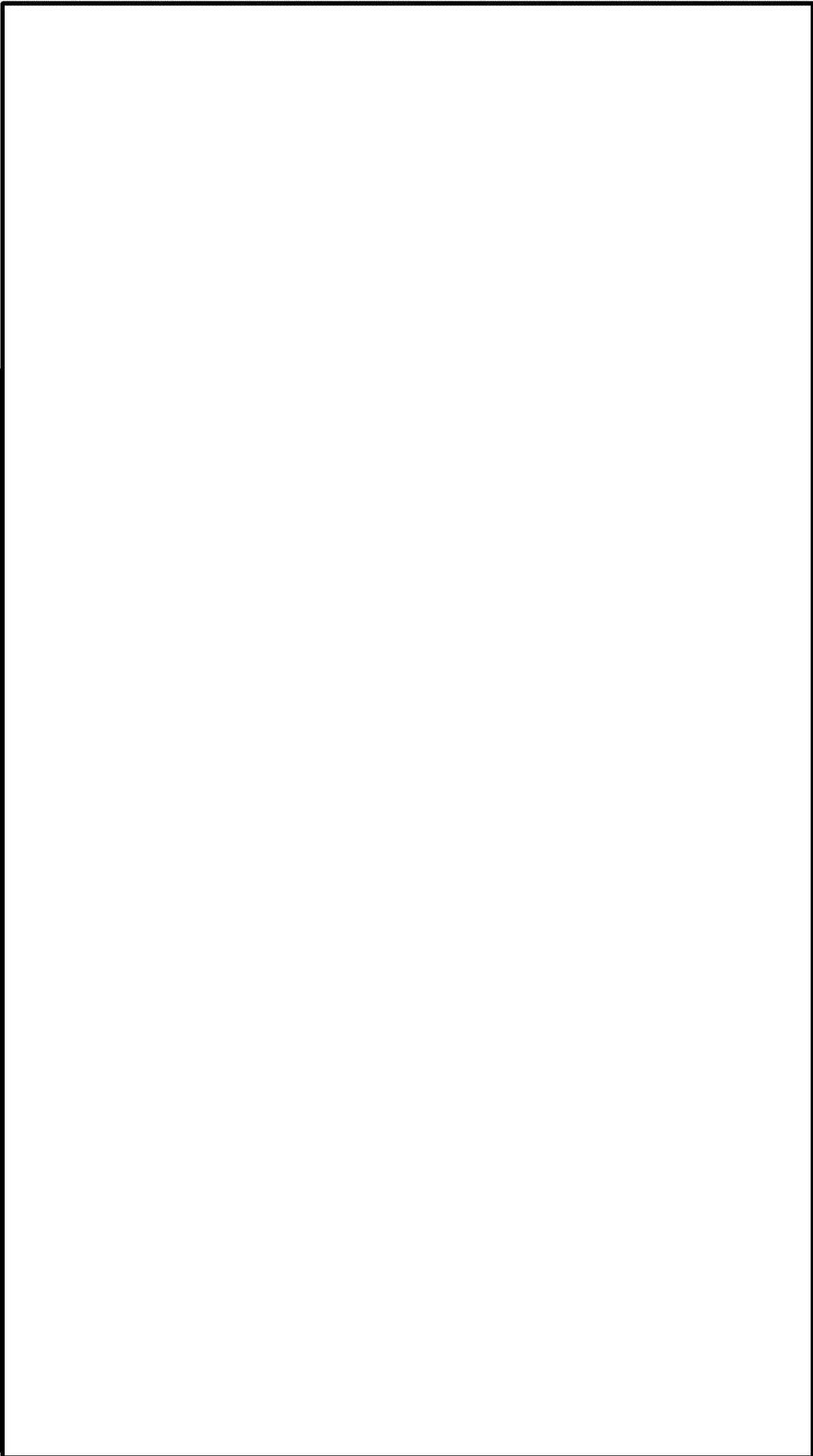
Immigrant Investor Program  
U.S. Citizenship and Immigration Services

CC: Elizabeth Cannon

(b)(4)

(b)(6)

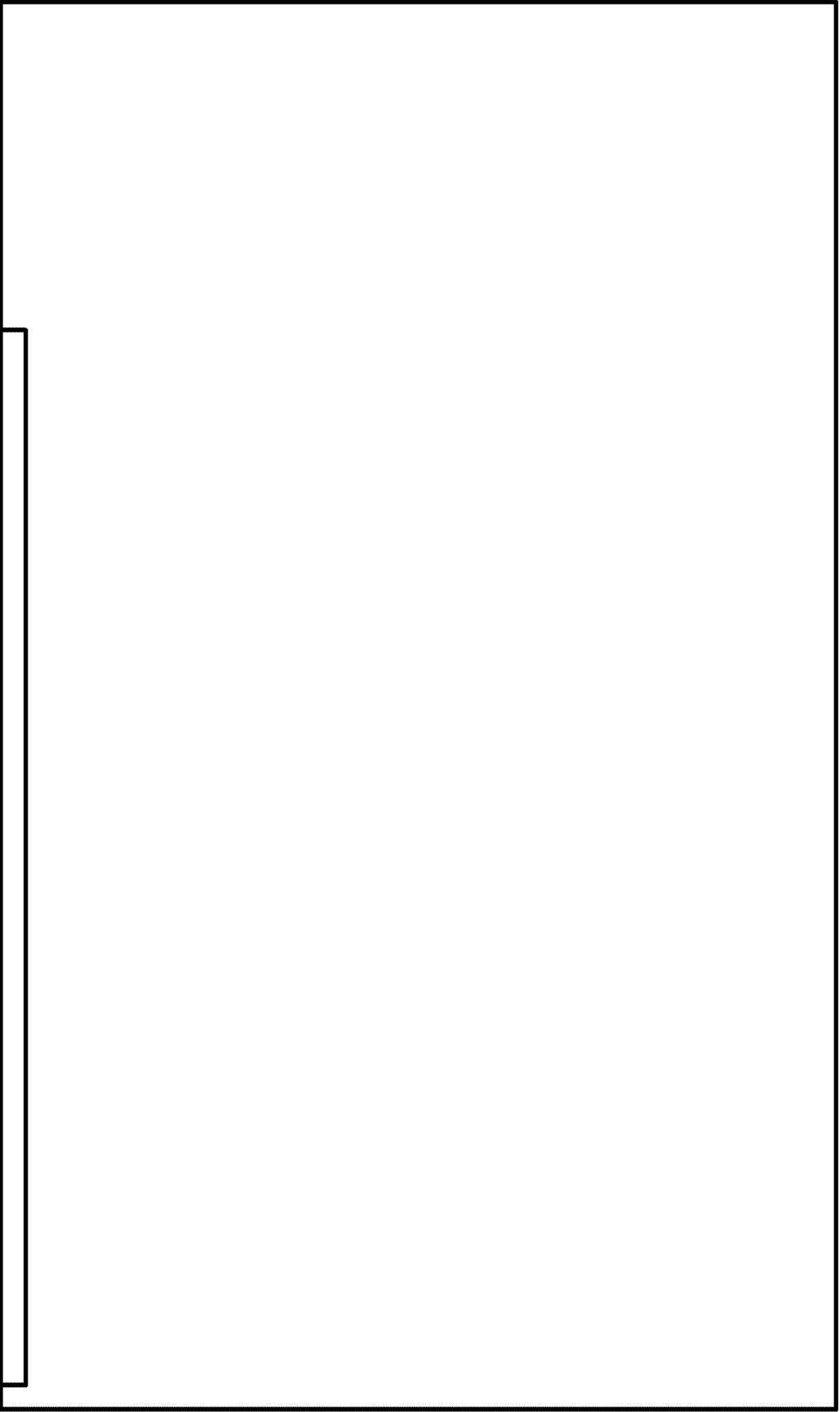
Statement Period  
September 1-30, 2014



(b)(4)

(b)(6)

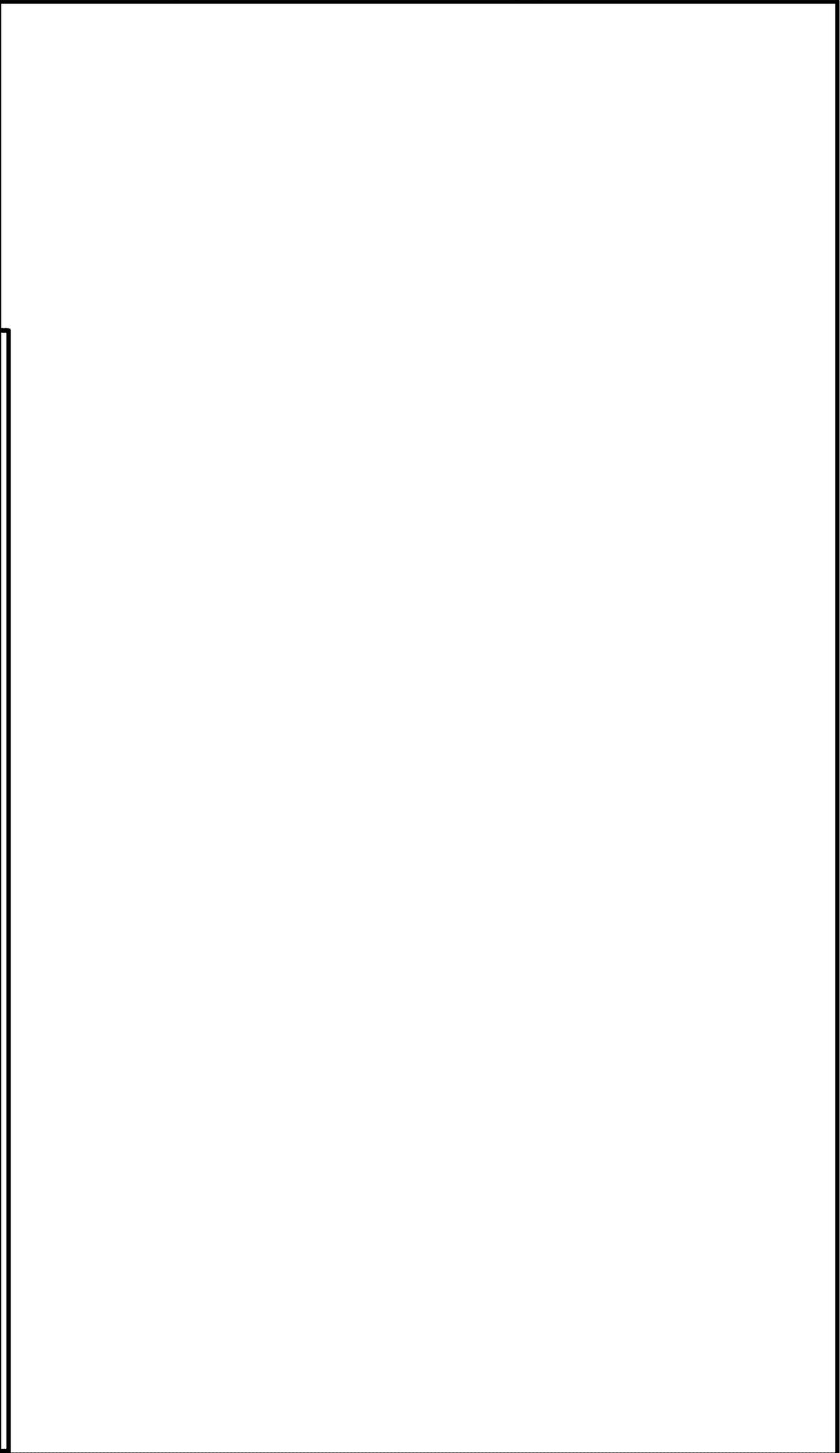
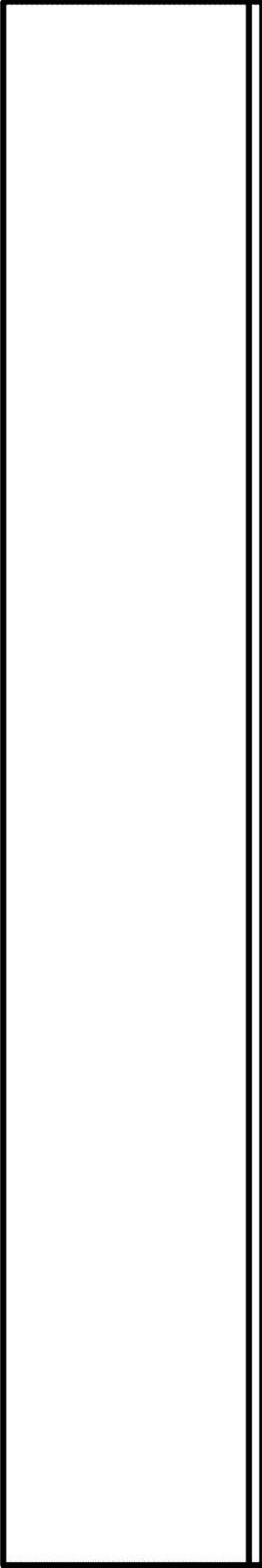
Statement Period  
September 1-30, 2014



(b)(4)

(b)(6)

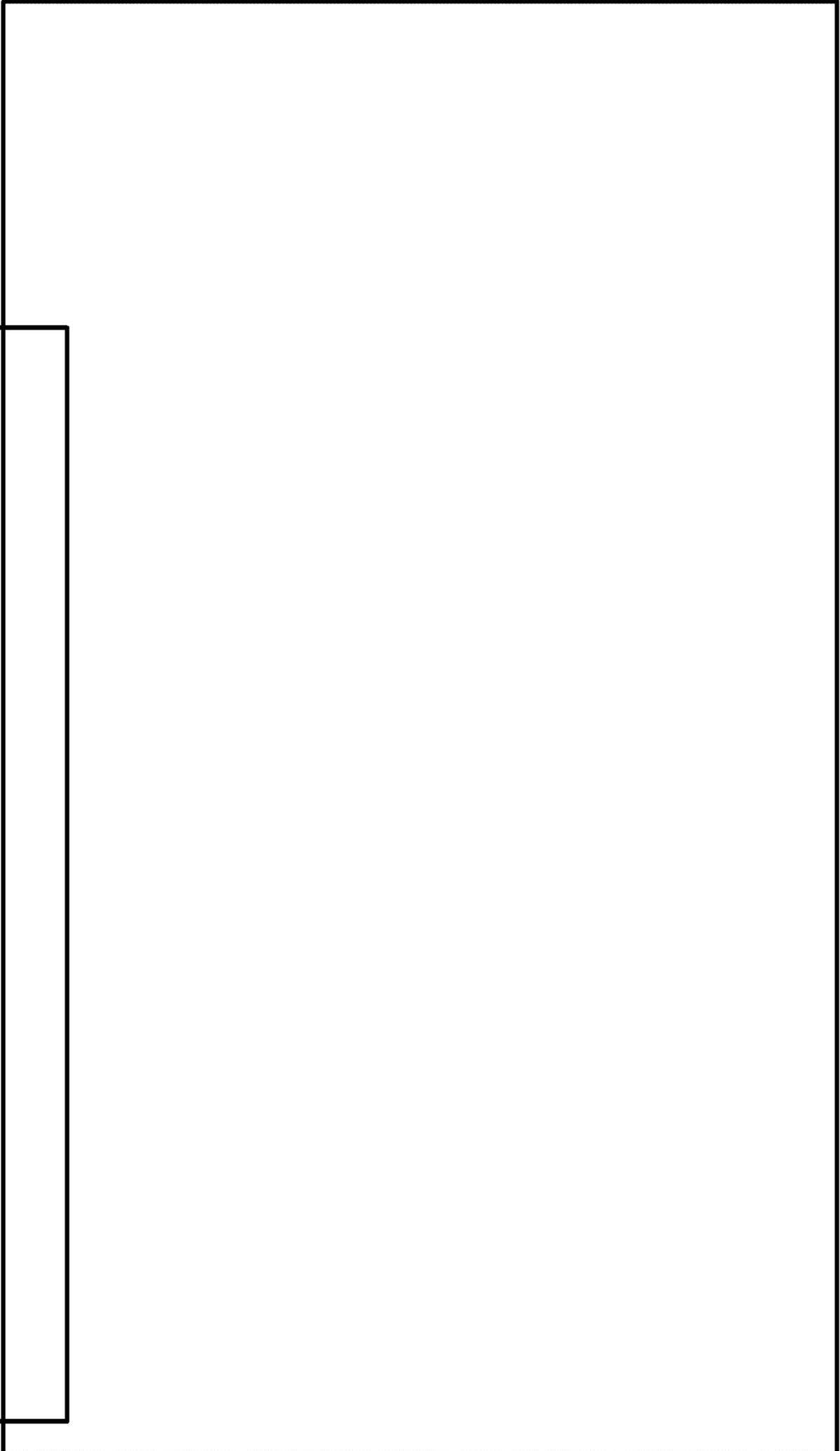
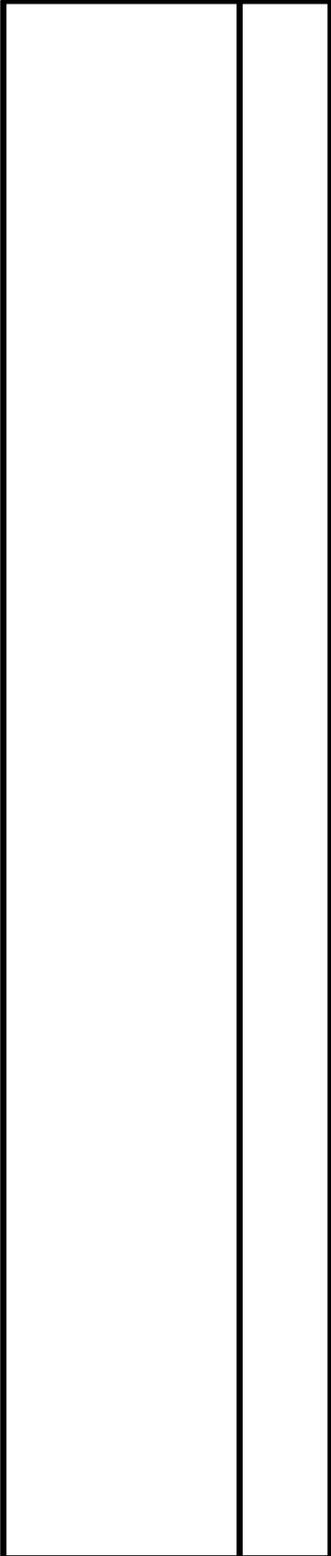
Statement Period  
September 1-30, 2014



(b)(4)

(b)(6)

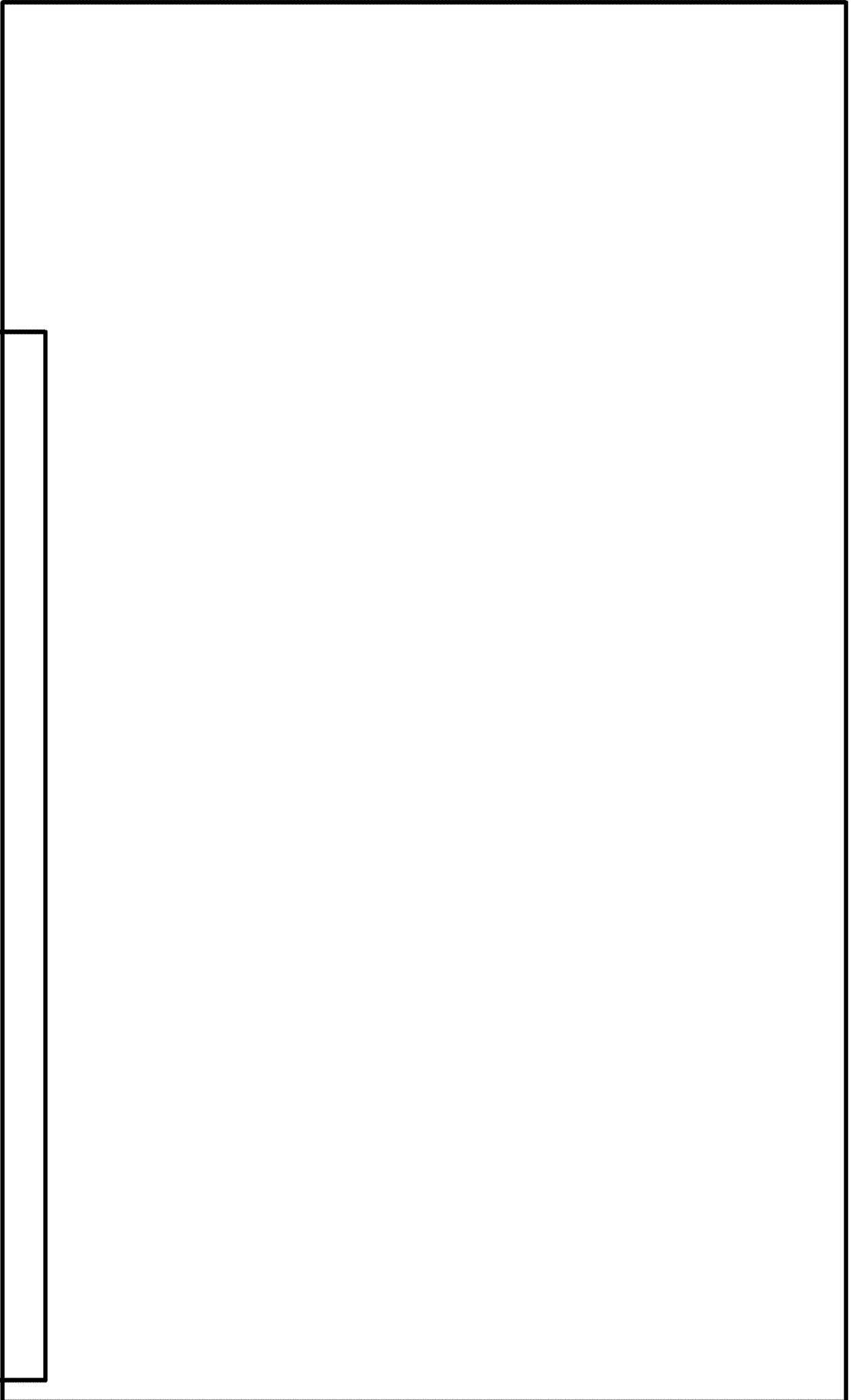
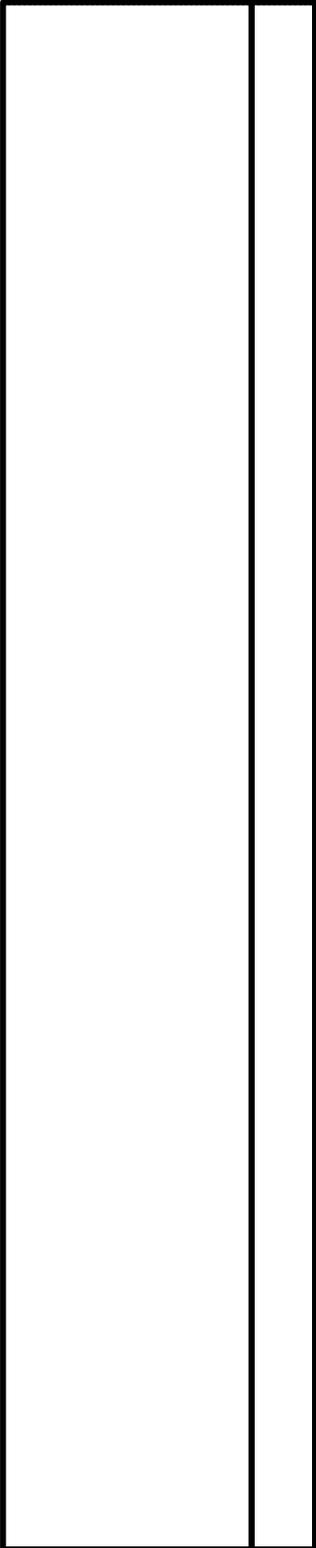
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September 1-30, 2014



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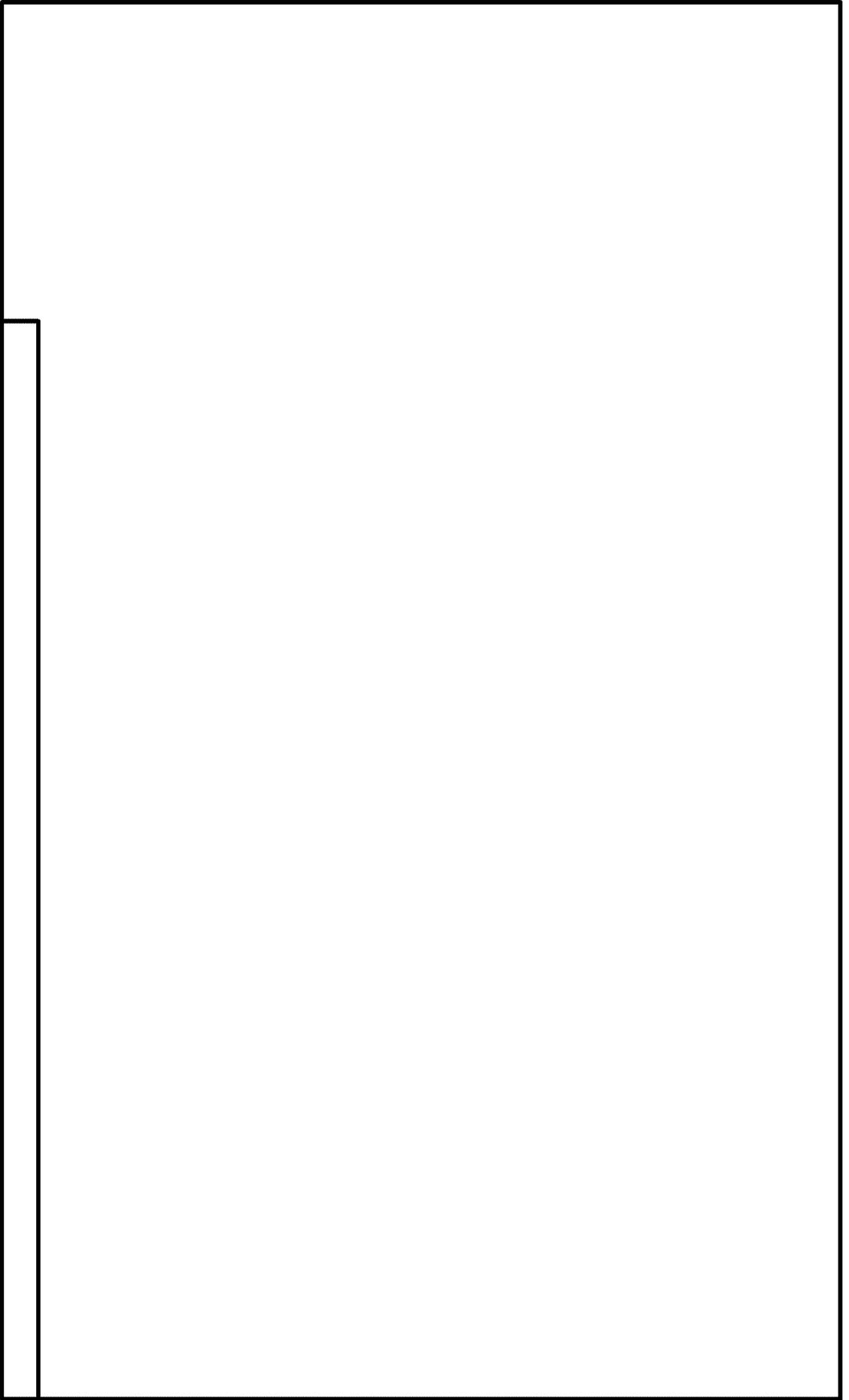
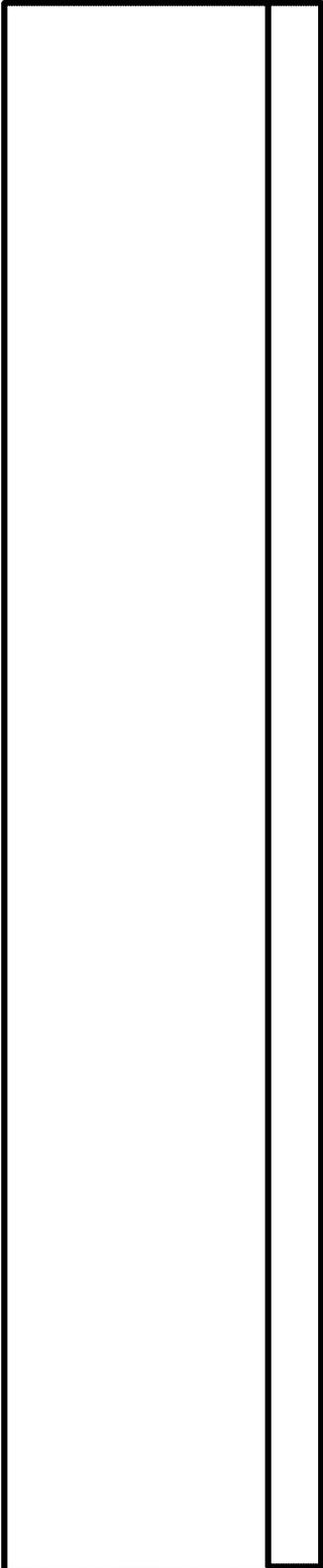
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September 1-30, 2014



(b)(4)

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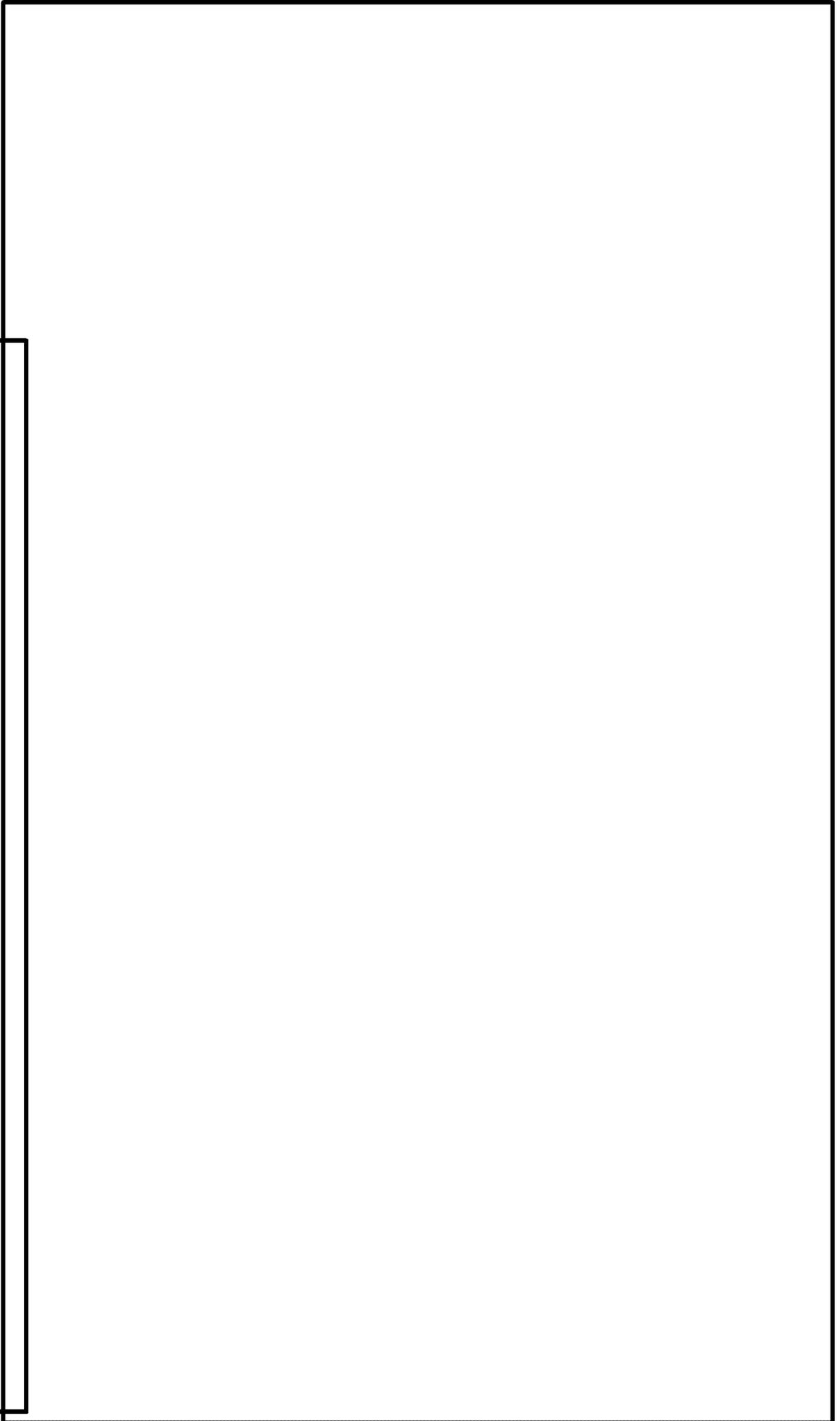
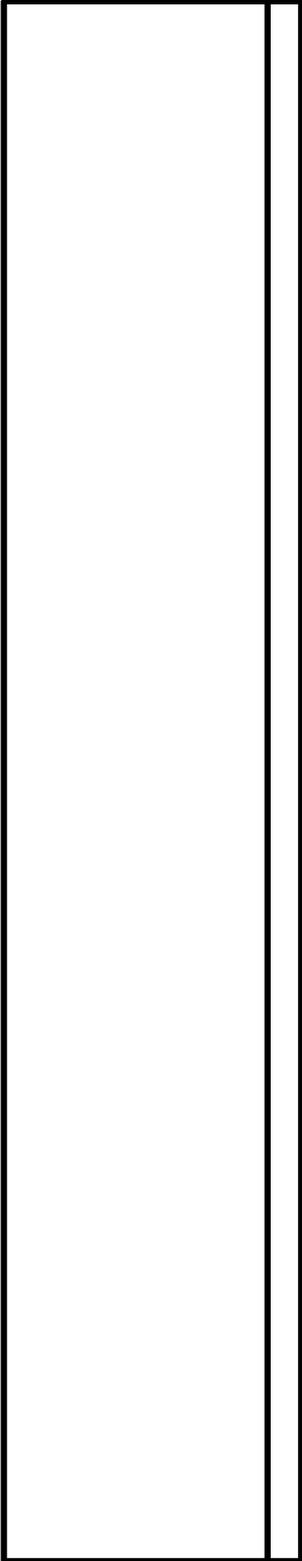
Statement Period  
September 1-30, 2014



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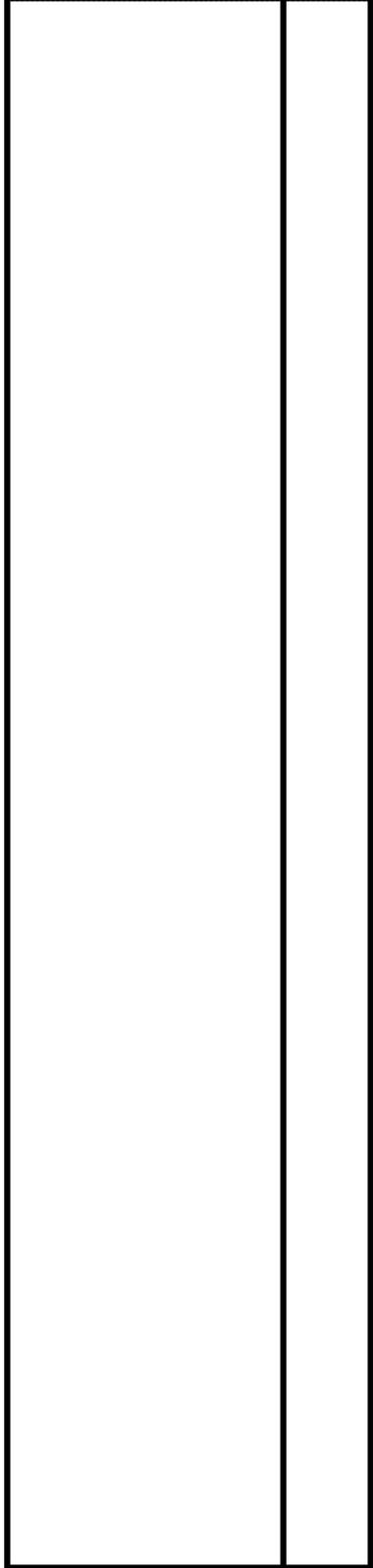
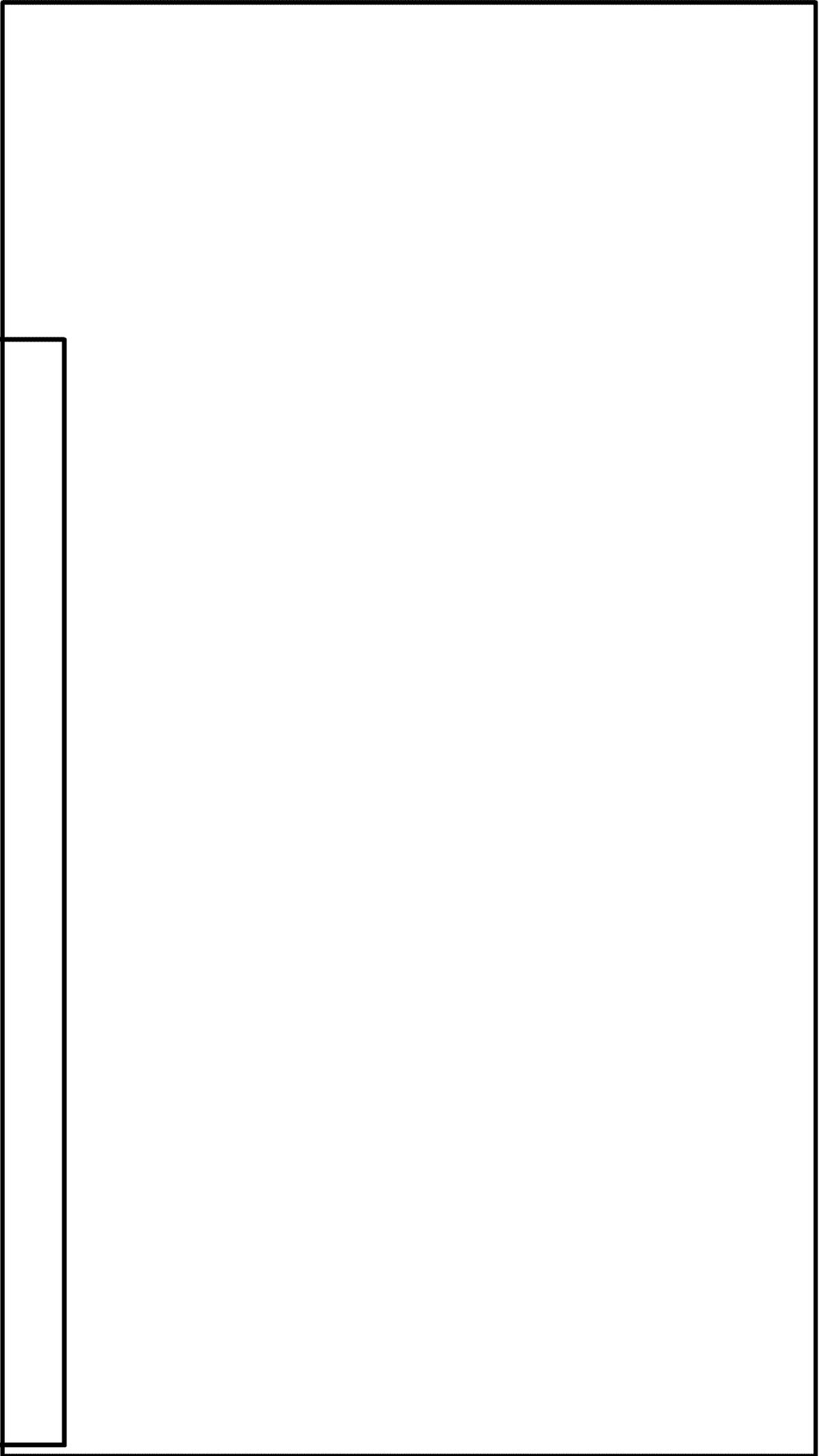
Statement Period  
September 1-30, 2014



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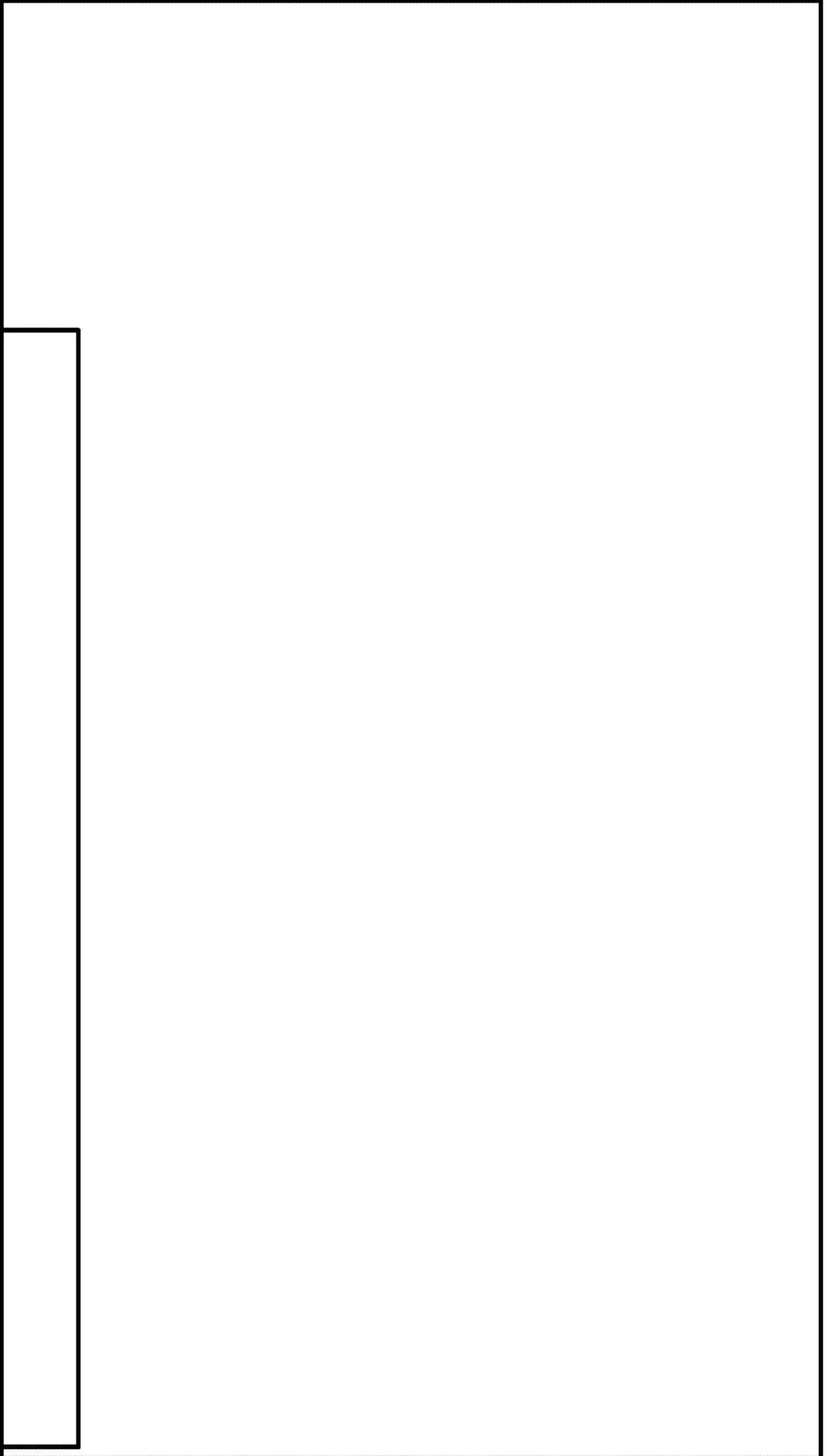
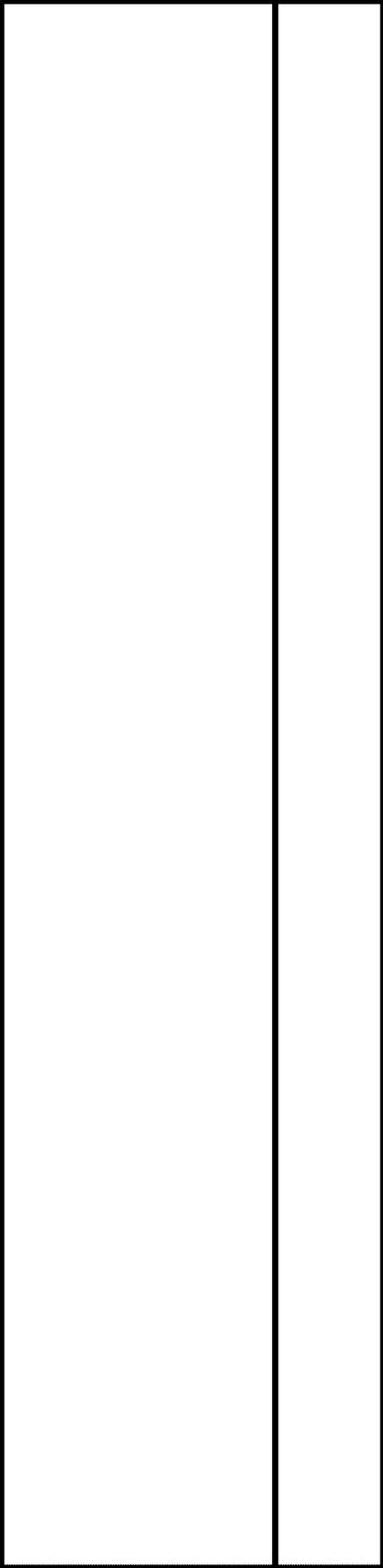
Statement Period  
September 1-30, 2014



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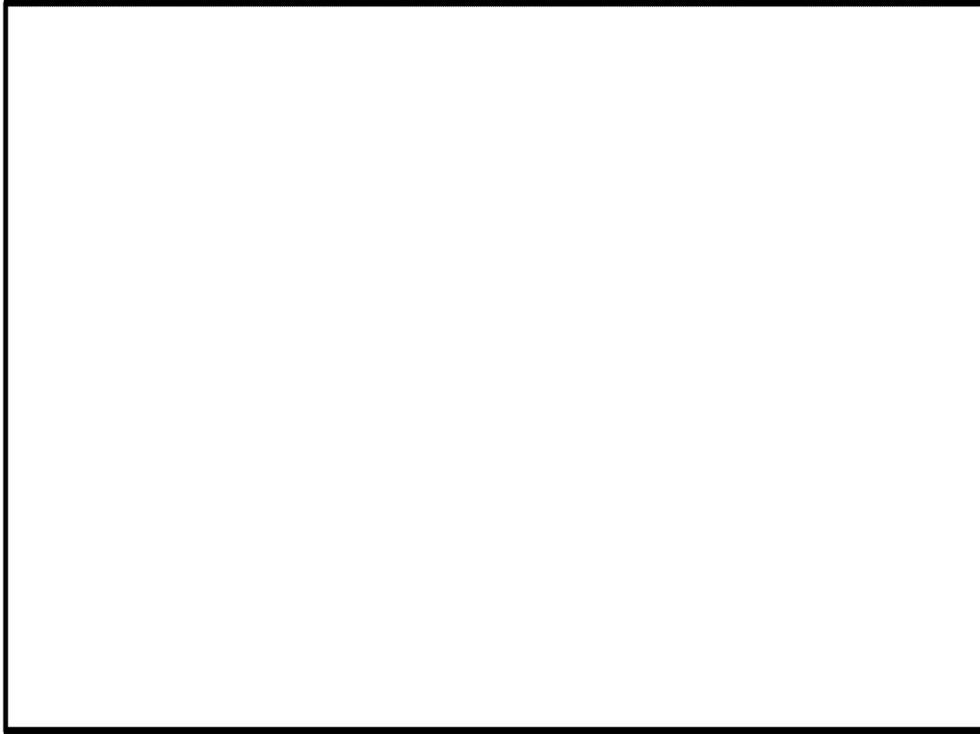
(b)(6)

Statement Period  
September 1-30, 2014



GREAT LAKES REGIONAL CENTER, LLC - FINANCIALS AS OF JULY 31, 2013

(b)(4)



(b)(4)

GREAT LAKES REGIONAL CENTER, LLC - BUDGET & FINANCIAL PROJECTIONS



(b)(4)

GREAT LAKES REGIONAL CENTER, LLC - BUDGET & FINANCIAL PROJECTIONS



# FRAGOMEN

Elizabeth Cannon, Senior Paralegal • ecannon@fragomen.com

ATTORNEYS AT LAW

June 19, 2014

## Via Federal Express

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200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606  
Main: +1 312 263 6101  
Fax: +1 312 346 1970  
www.fragomen.com

USCIS Headquarters, Immigrant Investor Program  
20 Massachusetts Ave, N.W.  
8th Floor, Mailstop 2235  
Washington, DC 20529

**Re: Forms I-924, Application for Regional Center**  
**Rec No.: RCW1322451192**  
**Unique Identifier: ID1322451192**  
**Name: Great Lakes Regional Center, LLC**

Dear Sir or Madam:

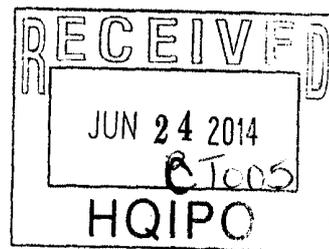
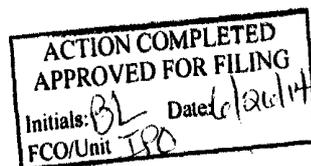
In connection with the above-referenced matter, attached please find a copy of a letter from Ms. Anna Morzy, the attorney of record for this case. I am writing to follow up on Ms. Morzy's correspondence requesting an update on the status of the Great Lakes Regional Center, LLC application.

At your convenience, please contact Ms. Morzy at 847-927-7089 to apprise her of the progress being made with the processing of this application.

Thank you for your attention to this matter. Your assistance is greatly appreciated.

Sincerely,

  
Elizabeth Cannon  
Senior Paralegal



COPY

FRAGOMEN

ATTORNEYS AT LAW

Fragomen, Del Rey, Bernsen & Loewy, LLP  
200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606  
Main: +1 312 263 6101  
Fax: +1 312 346 1970  
www.fragomen.com

June 12, 2014

Via Federal Express

USCIS Headquarters, Immigrant Investor Program  
20 Massachusetts Ave, N.W.  
8th Floor, Mailstop 2235  
Washington, DC 20529

Re: **Forms I-924, Application for Regional Center**  
Rec No.: **RCW1322451192**  
Unique Identifier: **ID1322451192**  
Name: **Great Lakes Regional Center, LLC**

Dear Sir or Madam:

In connection with the above-referenced matter, we would like to request an update on the Application for Regional Center submitted by Great Lakes Regional Center, LLC. Please see the attached copy of a signed G-28 as evidence of our representation of the applicant in this matter.

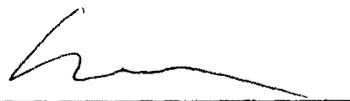
The regional center application in this case was submitted to USCIS on August 12, 2013, and acknowledge on August 14, 2013. In October 2013, the applicant requested that all projects submitted in the application be considered as hypothetical. The applicant has followed up with USCIS a number of times since then, but has not received a decision on the application. A copy of sample correspondence between USCIS and the applicant is attached for your convenience.

As the current processing time listed for regional center applications is approximately four and a half months, we are writing to inquire about the status of this case. Please provide an update on the processing of the Great Lakes Regional Center, LLC application, at your convenience.

Should you have any questions regarding the application or require additional documentation, please contact this office.

Thank you for your kind attention to this matter

Sincerely,



Anna H. Morzy, Esq.



**Notice of Entry of Appearance  
as Attorney or Accredited Representative**  
Department of Homeland Security

DHS  
Form G-28  
OMB No. 1615-0105  
Expires 02/29/2016

**Part 1. Information About Attorney or Accredited Representative**

Name and Address of Attorney or Accredited Representative

1.a. Family Name (Last Name)

1.b. Given Name (First Name)

1.c. Middle Name

2. Name of Law Firm or Recognized Organization

3. Name of Law Student or Law Graduate

4. State Bar Number

5.a. Street Number

5.b. Street Name

5.c. Apt.  Ste.  Flr.

5.d. City or Town

5.e. State  5.f. Zip Code

5.g. Postal Code

5.h. Province

5.i. Country

6. Daytime Phone Number (    )    -

7. E-Mail Address of Attorney or Accredited Representative

**Part 2. Eligibility Information For Attorney or Accredited Representative**

(Check applicable item(s) below)

1.  I am an attorney eligible to practice law in, and a member in good standing of, the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia.

1.a.

1.b. I (choose one)  am not  am subject to any order of any court or administrative agency disbaring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law. (If you are subject to any order(s), explain fully in the space below.)

1.b.1.

2.  I am an accredited representative of the following qualified nonprofit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 292.2. Provide the name of the organization and the expiration date of accreditation.

2.a. Name of Recognized Organization

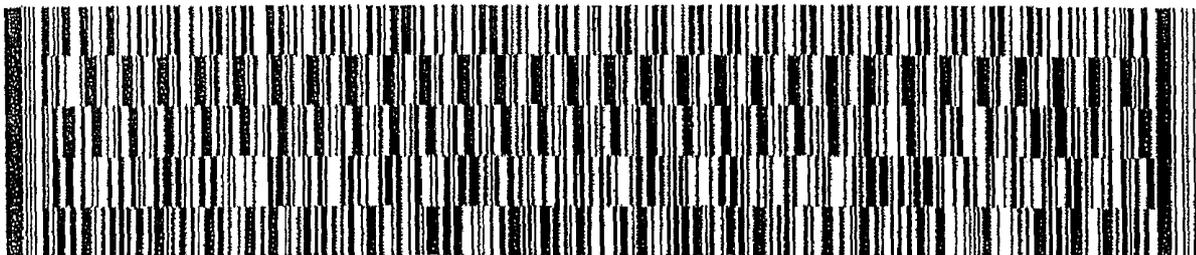
2.b. Date Accreditation expires  
(mm/dd/yyyy)

3.  I am associated with

3.a.

the attorney or accredited representative of record who previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request. If you check this item, also complete number 1 (1.a. - 1.b.1.) or number 2 (2.a. - 2.b.) in Part 2 (whichever is appropriate).

4.  I am a law student or law graduate working under the direct supervision of the attorney or accredited representative of record on this form in accordance with the requirements in 8 CFR 292.1(a)(2)(iv).



**Part 3. Notice of Appearance as Attorney or Accredited Representative**

This appearance relates to immigration matters before (select one):

- 1.  USCIS - List the form number(s)  
1.a. I-924
- 2.  ICE - List the specific matter in which appearance is entered  
2.a.
- 3.  CBP - List the specific matter in which appearance is entered  
3.a.

I hereby enter my appearance as attorney or accredited representative at the request of:

- 4. Select only one:  Applicant  Petitioner  Respondent (ICE, CBP)

Name of Applicant, Petitioner, or Respondent

- 5.a. Family Name (Last Name)
- 5.b. Given Name (First Name)
- 5.c. Middle Name
- 5.d. Name of Company or Organization, if applicable  
Great Lakes Regional Center, LLC

NOTE: Provide the mailing address of Petitioner, Applicant, or Respondent and not the address of the attorney or accredited representative, except when a safe mailing address is permitted on an application or petition filed with Form G-28.

- 6.a. Street Number and Name 20 N. Wacker Drive
- 6.b. Apt.  Ste.  Flr.  Suite 2200
- 6.c. City or Town Chicago
- 6.d. State IL 6.e. Zip Code 60606

- 7. Provide A-Number and/or Receipt Number  
RCW1322451192

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, ICE, or CBP.

- 8.a. Signature of Applicant, Petitioner, or Respondent  
*[Handwritten Signature]*
- 8.b. Date (mm/dd/yyyy) 06/06/2014

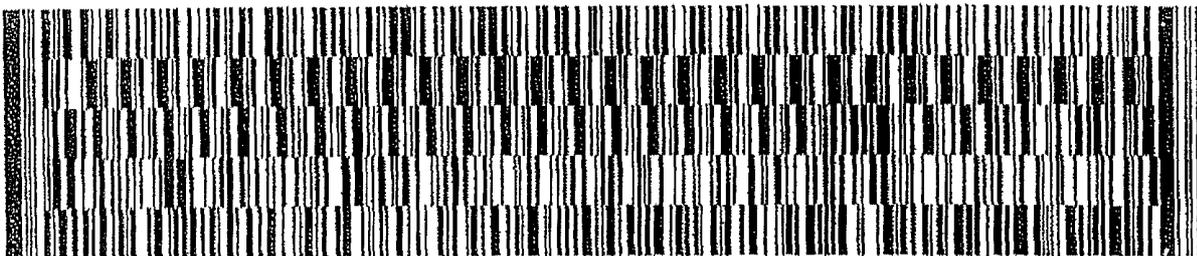
**Part 4. Signature of Attorney or Accredited Representative**

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

- 1. Signature of Attorney or Accredited Representative  
*[Handwritten Signature]*
- 2. Signature of Law Student or Law Graduate
- 3. Date (mm/dd/yyyy) 06/06/2014

**Part 5. Additional Information**

- 1.





## USCIS Processing Time Information

[Print This Page](#) [Back](#)

### USCIS Processing Time Information for the Immigrant Investor Program Office

Posted: June 3, 2014

#### Instructions on Using the Chart

Below is a chart that shows the form number, form name and processing times for the following forms that are processed by the Immigrant Investor Program Office (IPO).

Find the particular form number (in the left column) or form name (in the center column) in which you are interested. In the right column you will find a timeframe in months representing the average processing time for that form type. Please note some cases may take longer to process.

We offer a variety of services after you file. For a Form I-526 you can [check the status of your case online](#) or email [USCIS.ImmigrantInvestorProgram@uscis.dhs.gov](mailto:USCIS.ImmigrantInvestorProgram@uscis.dhs.gov) if your Form I-526, Form I-829, or Form I-924 is beyond the stated processing timeframe.

Average Processing Times for Immigrant Investor Program Office as of: April 30, 2014

Form	Title	Classification or Basis for Filing:	Processing Timeframe:
I-526	Immigrant Petition By Alien Entrepreneur	For use by an entrepreneur who wishes to immigrate to the United States	12.4 Month(s)
I-829	Petition by Entrepreneur to Remove Conditions	Removal of lawful permanent resident conditions (immigrant investors)	8.7 Month(s)
I-924	Application For Regional Center Under the Immigrant Investor Pilot Program	I924 - Application For Regional Center Under the Immigrant Investor Pilot Program	4.4 Month(s)

[Print This Page](#) [Back](#)



**To:** "Joanna Herbert" <joanna@greatlakesregionalcenter.com>, "anderson" <anderson@greatlakesregionalcenter.com>, "Beth Cannon" <ecannon@fragomen.com>,  
**Cc:**  
**Bcc:**  
**Subject:** Re: Regional Center  
**From:** Anna Morzy/Chicago/FragomenEast - Wednesday 06/04/2014 07:47 AM

----- Message from CSC-EB5-RCID0-2 <CSC-EB5-RCID0-2@uscis.dhs.gov> on Fri, 30 May 2014 09:10:27 -0500 -----

**To:** "David B. Anderson" <anderson@greatlakesregionalcenter.com>  
**cc:** 'Joanna'  
**Subject:** Response:

Dear David,

This email is to notify you that receipt RCW1322451192, related to Great Lakes Regional Center, LLC, is currently assigned to a USCIS Officer for review. We appreciate your patience as we work on your case.

For your convenience, processing times for Form I-924 can be found under the Immigrant Investor Program Office at:  
<https://egov.uscis.gov/cris/processTimesDisplayInit.do;jsessionid=bacvKOa3fCeZbdsT5VLtu>

Sincerely,

Immigrant Investor Program Office  
U.S Citizenship and Immigration Services

**From:** David B. Anderson [mailto:anderson@greatlakesregionalcenter.com]  
**Sent:** Wednesday, May 21, 2014 2:19 PM  
**To:** CSC-EB5-RCID0-2  
**Cc:** 'Joanna Herbert'  
**Subject:** Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Immigrant Investor Program  
U.S. Citizenship and Immigration Services

RE: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Sir/Madam:

On 08/12/2013 we filed a Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program, with USCIS on behalf of Great Lakes Regional Center, LLC. The receipt number is RCW1322451192 and the unique identifier for the filing is ID1322451192. USCIS was notified by Great Lakes Regional Center, LLC on October 25, 2013 that all projects submitted in the 08/12/2013 application should be considered as hypothetical and confirmation of this notice was received from USCIS.

We have requested updates from USCIS on several occasions and have consistently been told (the earliest date was on November 8, 2013) that our application had been assigned and was under review. To date, we have yet to receive any notice from USCIS of approval, denial or RFE. We have also been notified by our legal counsel that they have direct knowledge of applications filed after ours which have already been approved or responded to despite not having made requests nor having grounds for receiving expedited approval.

I respectfully ask for a current status of our adjudication.

Sincerely,

David B. Anderson  
Great Lakes Regional Center, LLC  
M:

(b)(6)

**From:** CSC-EB5-RCID0-2 [<mailto:CSC-EB5-RCID0-2@uscis.dhs.gov>]  
**Sent:** Wednesday, April 02, 2014 8:55 AM  
**To:** Joanna Herbert  
**Subject:** Response: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear David,

Thank you for your correspondence. Receipt Number RCW1322451192 related to Great Lakes Regional Center, LLC is being reviewed as hypothetical.

If you have any additional questions, please contact the Immigrant Investor Program at [CSC-EB5-RCID0-2@uscis.dhs.gov](mailto:CSC-EB5-RCID0-2@uscis.dhs.gov)

Sincerely,  
Immigrant Investor Program  
U.S. Citizenship and Immigration Services

**From:** David B. Anderson [<mailto:anderson@greatlakesregionalcenter.com>] **On Behalf Of** Joanna Herbert  
**Sent:** Thursday, March 27, 2014 10:27 PM

**To:** CSC-EB5-RCID0-2  
**Cc:** 'Joanna Herbert'  
**Subject:** RE: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Immigrant Investor Program  
U.S. Citizenship and Immigration Services

RE: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Sir/Madam:

On 08/12/2013 we filed a Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program, with USCIS on behalf of Great Lakes Regional Center, LLC. The receipt number is RCW1322451192 and the unique identifier for the filing is ID1322451192.

On October 25, 2013 I notified USCIS of the desire to have all the projects submitted under the application considered as hypothetical projects and that none should be considered as exemplar projects (please see below). I have not received confirmation from USCIS of this change and would like to ask for such confirmation at this time.

Regards,

(b)(6)

David B. Anderson  
Great Lakes Regional Center, LLC

M [REDACTED]

**From:** David B. Anderson [mailto:[anderson@greatlakesregionalcenter.com](mailto:anderson@greatlakesregionalcenter.com)]

**Sent:** Friday, October 25, 2013 7:45 AM

**To:** 'CSC-EB5-RCID0-2'

**Cc:** 'Joanna Herbert'

**Subject:** RE: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Immigrant Investor Program  
U.S. Citizenship and Immigration Services

RE: Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Sir/Madam:

On 08/12/2013 we filed a Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program, with USCIS on behalf of Great Lakes Regional Center, LLC. The receipt number is RCW1322451192 and the unique identifier for the filing is ID1322451192.

The application contained two projects which were submitted with Form I-526 exemplars attached. We are requesting that each of these projects no longer be reviewed as exemplars but

rather as “hypothetical” projects.

If you have questions regarding this request, or the application in general, please contact me at [anderson@greatlakesregionalcenter.com](mailto:anderson@greatlakesregionalcenter.com)

Regards,

David B. Anderson  
Great Lakes Regional Center, LLC

**From:** CSC-EB5-RCID0-2 [<mailto:CSC-EB5-RCID0-2@uscis.dhs.gov>]  
**Sent:** Wednesday, August 14, 2013 10:54 AM  
**To:** [anderson@greatlakesregionalcenter.com](mailto:anderson@greatlakesregionalcenter.com)  
**Subject:** Unique Identifier: ID1322451192; Receipt Number: RCW1322451192; Regional Center Name: Great Lakes Regional Center, LLC

Dear Form I-924 applicant,

On 08/12/2013 you filed a Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program, with USCIS on behalf of Great Lakes Regional Center, LLC. The receipt number for that application is RCW1322451192. USCIS has assigned a unique identifier to every approved or prospective regional center. Your regional center’s unique identifier is ID1322451192.

#### PURPOSE

This purpose of this e-mail is to provide information to you regarding USCIS’ direct e-mail communication procedures. You may use this e-mail address to correspond with USCIS regarding your pending I-924 application, to include questions that you may have if USCIS issues a Request for Evidence (RFE) or Notice of Intent to Deny (NOID) in your application. USCIS may also reach out to you via this e-mail address to informally ask for clarification on certain issues in order to facilitate USCIS’ review, understanding, and completion of your case in an expeditious manner and to assist you in perfecting the record prior to rendering a decision.

#### FORM I-924 APPLICATIONS WITH AN ATTORNEY OR AN ACCREDITED REPRESENTATIVE

USCIS will need to have a viable Form G-28 e-mail address in order to use the e-mail process to correspond with the Form I-924 applicant, if a valid Form G-28 is associated with the Form I-924 application. If a valid Form G-28 is associated with the Form I-924 applicant, but USCIS does not have a viable Form G-28 e-mail address, then one will need to be obtained prior to USCIS sending any out-going e-mail correspondence discussing issues in the application to the Form I-924 applicant. In such an instance, the attorney or accredited representative should provide an updated Form G-28 with a valid e-mail address by sending a .pdf of a fully executed Form G-28 to the general EB-5 mailbox at [uscis.immigrantinvestorprogram@dhs.gov](mailto:uscis.immigrantinvestorprogram@dhs.gov).

An original, fully executed Form G-28 will need to be mailed to USCIS for inclusion in the Form I-924 application.

#### REQUESTS FOR EVIDENCE AND NOTICES OF INTENT TO DENY

At this time, you cannot include attachments in correspondence through this e-mail box. Also, USCIS can not accept your official RFE or NOID response via this e-mail address in the event that USCIS issues such an RFE or a NOID. As such, once you are ready to submit your formal response to an RFE or a NOID, you should follow the response submission instructions listed on the RFE or NOID. When ultimately submitting your formal response to the RFE or NOID, please note that 8 CFR 103.2(b)(11) requires all requested materials to be submitted together at one time, along with a copy of the USCIS RFE or NOID. Responses for initial or amended I-924 applications are matched with the case file upon receipt of the response. USCIS strives to finalize EB-5 cases within 30 days after the responses to the RFEs are received.

#### NON-PENDING I-924 APPLICATION QUESTIONS

Note that this e-mail address is to be used solely for issues related to a pending I-924 application. This e-mail address is not a forum for general policy and legal questions about adjudicative procedures or decisions, or for questions relating to Form I-526 Immigrant Petition by Alien Entrepreneur, Form I-829 Petition by Entrepreneur to Remove Conditions, or relating Form I-290B Appeals or Motions. USCIS will not respond to e-mails received concerning issues unrelated to a currently pending I-924 application. For more information about how to make other EB-5 Inquiries, visit the EB-5 Inquiries page on the USCIS website [www.uscis.gov](http://www.uscis.gov).

E-Mail "SUBJECT LINE" ADVISORY: Please ensure that the subject line in your e-mail correspondence contains the following information: (1) Regional Center Unique Identifier; (2) Receipt Number; (3) Regional Center Name. Doing so will facilitate the accurate recognition of your e-mail correspondence and the ability of USCIS to respond to your e-mail.

Sincerely,

Immigrant Investor Program  
U.S. Citizenship and Immigration Services

From: (312) 263-6101      Origin ID: CHIA  
 Anna Morzy, Esq.  
 Fragomen, Del Rey, Bernsen & Lowey  
 200 W JACKSON BLVD  
 STE 1800  
 CHICAGO, IL 60606



Ship Date: 12JUN14  
 Act/Wgt: 1.0 LB  
 CAD: 1365123/INET3490

Delivery Address Bar Code

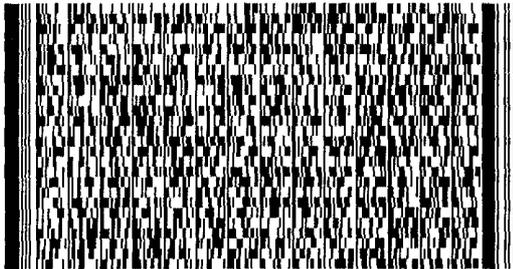


SHIP TO: (312) 263-6101      **BILL SENDER**  
**Immigrant Investor Program**  
**USCIS Headquarters**  
**20 Massachusetts Avenue NW**  
**8th Floor, Mailstop 2235**  
**WASHINGTON, DC 20529**

Ref #      EB-5/GLRC/1-924 INQ  
 Invoice #  
 PO #  
 Dept #

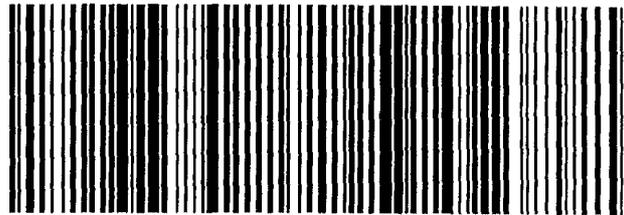
**FRI - 13 JUN 10:30A**  
**PRIORITY OVERNIGHT**

TRK#      7702 8853 7835  
 0201



**XC RDVA**

**20529**  
 DC-US  
**IAD**



522G5/BBC4/F220

**After printing this label:**

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.  
 Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

From: (312) 263-6101  
Anna Morzy, Esq.  
Fragomen, Del Rey, Bernsen & Lowey  
200 W JACKSON BLVD  
STE 1800  
CHICAGO, IL 60606

Origin ID: CHIA



J14101402070326

Ship Date: 19JUN14  
ActWgt: 1.0 LB  
CAD: 1365123/INET3490

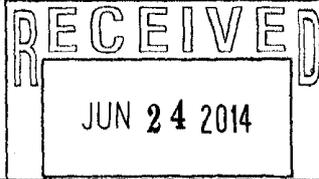
Delivery Address Bar Code



SHIP TO: (312) 263-6101  
**Immigrant Investor Program**  
**USCIS Headquarters**  
**20 Massachusetts Ave, N.W.**  
**8th Floor, Mailstop 2235**  
**WASHINGTON, DC 20529**

BILL SENDER

Ref # FIP/GLRC update  
Invoice #  
PO #  
Dept #



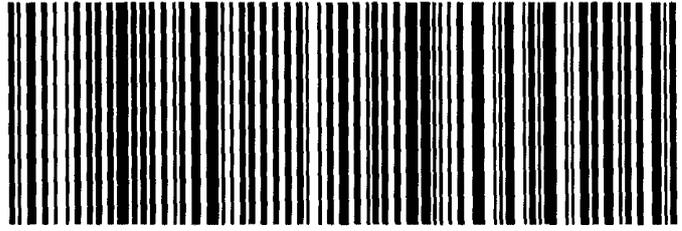
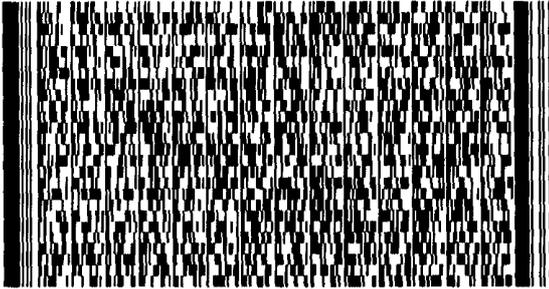
HQIP@RI - 20 JUN 10:30A

PRIORITY OVERNIGHT

TRK# 7703 6256 9616  
0201

DSR  
20529  
DC-US  
IAD

**XC RDVA**



522G59BC4/F220

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2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

# FRAGOMEN

Anna H. Morzy, Attorney • amorzy@fragomen.com

ATTORNEYS AT LAW

June 12, 2014

**Via Federal Express**

Fragomen, Del Rey, Bernsen & Loewy, LLP  
200 West Jackson Boulevard, Suite 1800  
Chicago, IL 60606  
Main: +1 312 263 6101  
Fax: +1 312 346 1970  
www.fragomen.com

USCIS Headquarters, Immigrant Investor Program  
20 Massachusetts Ave, N.W.  
8th Floor, Mailstop 2235  
Washington, DC 20529

**Re: Forms I-924, Application for Regional Center**  
**Rec No.: RCW1322451192**  
**Unique Identifier: ID1322451192**  
**Name: Great Lakes Regional Center, LLC**

Dear Sir or Madam:

In connection with the above-referenced matter, we would like to request an update on the Application for Regional Center submitted by Great Lakes Regional Center, LLC. Please see the attached copy of a signed G-28 as evidence of our representation of the applicant in this matter.

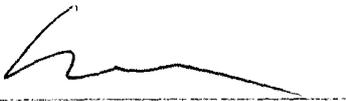
The regional center application in this case was submitted to USCIS on August 12, 2013, and acknowledge on August 14, 2013. In October 2013, the applicant requested that all projects submitted in the application be considered as hypothetical. The applicant has followed up with USCIS a number of times since then, but has not received a decision on the application. A copy of sample correspondence between USCIS and the applicant is attached for your convenience.

As the current processing time listed for regional center applications is approximately four and a half months, we are writing to inquire about the status of this case. Please provide an update on the processing of the Great Lakes Regional Center, LLC application, at your convenience.

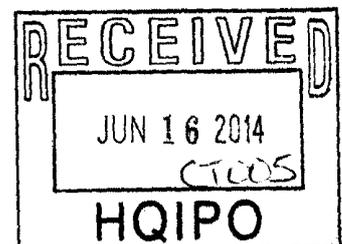
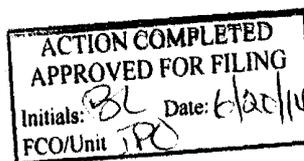
Should you have any questions regarding the application or require additional documentation, please contact this office.

Thank you for your kind attention to this matter

Sincerely,



Anna H. Morzy, Esq.



**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-1314

29 January 2014

Mr. Nicholas Colucci  
Acting Chief, Immigrant Investor Program  
U.S. Citizenship and Immigration Services  
U.S. Department of Homeland Security  
20 W Massachusetts Avenue  
Laguna Niguel, CA 92677

Dear Chief Colucci:

I am writing in support of Great Lakes Regional Center as they seek designation as a Regional Center under the EB-5 Immigrant Investor program administered by U.S. Citizenship and Immigration Services.

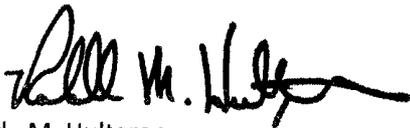
While many states have seen significant contributions to their economies through the program (a recent Wall Street Journal article cites the EB-5 program as having contributed more than \$1.8 billion to the U.S. economy[1].), Illinois has not yet been successful in attracting EB-5 investment.

Successful investment through the EB-5 program will enhance economic development to a meaningful extent in the Chicago metropolitan area encompassed by the eleven counties Great Lakes Regional Center would cover. Having a successful Regional Center will promote economic growth through increased export sales, improve regional productivity, create new jobs, and increase domestic capital investment.

The professionals involved with Great Lakes Regional Center have significant business and community development experience as well as significant experience conducting business in Asia, South America and Europe which uniquely positions them to identify and attract foreign investors and partner those investors with local projects seeking investment.

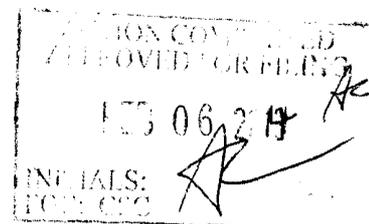
Again, I would like to express my support for Great Lakes Regional Center as they request to join the EB-5 program. I urge you to give serious consideration to their request. If you have any questions or need more information, please do not hesitate to contact my office at 630-232-7104 or [Reed.Sullivan@mail.house.gov](mailto:Reed.Sullivan@mail.house.gov).

Respectfully,



Randy M. Hultgren  
Member of Congress (IL-14)

RCW 13 2245/192



Interfile  
5/12/2014  
SN

Department of Homeland Security  
U.S. Citizenship and Immigration Services

**Form I-924, Application for Regional Center  
Under the Immigrant Investor Pilot Program**

REC'D CSC 13AUG12 19:50  
090060

**Do Not Write in This Block - for USCIS Use Only (except G-28 block below)**

<p><b>Action Block</b></p> <div style="border: 2px solid black; padding: 5px; text-align: center;"> <p>U.S. Department of Homeland Security</p> <p>★ ★ ★ ★ ★</p> <p><b>APPROVED</b></p> <p>OCT 29 2014</p> <p><i>Raymond R. Smith</i></p> <p>7942</p> <p>U.S. Citizenship and Immigration Services</p> </div>	<p style="text-align: center;">F</p> <div style="text-align: center;">  <p><b>RCW1322451192</b></p> <p>maginger 1924 08/12/2013</p> </div> <p><input type="checkbox"/> G-28 attached</p> <p>Attorney's State License No. _____</p>
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**Part 1. Information About Principal of the Regional Center**

Name: Last ANDERSON	First DAVID	Middle B
------------------------	----------------	-------------

C/O: GREAT LAKES REGIONAL CENTER, LLC

Street Address/P.O. Box: 20 N. WACKER DRIVE, SUITE 2200

City: CHICAGO	State: IL	Zip Code: 60606
---------------	-----------	-----------------

(b)(6)

Date of Birth (mm/dd/yyyy): <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px;"></span>	Fax Number (include area code):	Telephone Number (include area code): (312) 965-5979
--	---------------------------------	--

Web site address: WWW.GREATLAKESREGIONALCENTER.COM

**Part 2. Application Type (Check one)**

- a. Initial Application for Designation as a Regional Center
- b. Amendment to an approved Regional Center application. Note the previous application receipt number, if any (also attach the Regional Center's previous approval notice): \_\_\_\_\_

**Part 3. Information About the Regional Center**

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, Regional Center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: GREAT LAKES REGIONAL CENTER, LLC

Street Address/P.O. Box: 20 N. WACKER DRIVE, SUITE 2200

City: CHICAGO	State: IL	Zip Code: 60606
---------------	-----------	-----------------

Web site address: WWW.GREATLAKESREGIONALCENTER.COM	Fax Number (include area code):	Telephone Number (include area code): (312) 965-5979
---	---------------------------------	---

**Part 3. Information About the Regional Center (Continued)**

**B. Name of Managing Company/Agency:**

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

**C. Name of Other Agent:**

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

**D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)**

David B. Anderson - Founder and Managing Member. Mr. Anderson has extensive experience as a Chicago based senior C-level executive while serving in the capacities of General Counsel, business strategy and development and line management officer while leading Inland Steel Industries, GATX and other multinational corporations. More recently, Anderson has served as an investor, founder, and managing partner of international consulting businesses. His extensive relationships with major private equity firms in the U.S. and China provide the potential to source and structure access to private capital. He has held multiple public and private board and advisory positions and currently serves on the boards of Advocate Healthcare Systems, Rulester, ViMedicus, and Chicago Local Initiatives Support Corporation (Emeritus Chair).

Joanna Herbert - Vice President. Ms. Herbert brings extensive experience forming new ventures in both the U.S. and Europe as well as experience in operations, project management, process, and technology integration. Her experience includes service as director of process design and infrastructure for a \$2B provider of post-secondary education with 75 campuses worldwide, as a project manager for Thomson Reuters' Quantitative Analytics division, as a senior consultant for RSM McGladrey's National Corporate Recovery division, and as a director of Europlus TV in Rome, Italy.

Jim Capraro brings 35 years of community organizing and development experience, including comprehensive community development, strategic planning, community organizing, collaboration, and nonprofit management. He was the founding executive director and CEO of the Greater Southwest Development Corporation - an organization that achieved over \$500 million in community development projects. During his tenure, GSDC was designated by the National Neighborhood Reinvestment Corporation as a national model for commercial revitalization and selected by the Chicago Local Initiatives Support Corporation (LISC) as the recipient of the "Outstanding Community Development Organization" award.

Please see Binder 1 for additional information.

**Part 3. Information About the Regional Center (Continued)**

**Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

**1a. Describe the structure, ownership and control of the regional center entity.**

Great Lakes Regional Center, LLC ("GLRC") was formed on January 23, 2013 upon the filing with the Secretary of State of Illinois of the Articles of Organization of the Company pursuant to the provisions of the Illinois Limited Liability Company Act. All GLRC's membership units are currently held by David B. Anderson.

**b. Date the Regional Center was established(mm/dd/yyyy):** 01/23/2013

**c. Organization Structure for the Regional Center:**

- 1. Agency of a U.S. State or Territory (identify) \_\_\_\_\_
- 2. Corporation
- 3. Partnership (including Limited Partnership)
- 4. Limited Liability Company (LLC)
- 5. Other (Explain) \_\_\_\_\_

**2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?**

- No     Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

**3. Describe the geographic area of the regional center. Note: This area must be contiguous. Provide a map of the geographic area.**

GLRC will serve the region known as the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. This area encompasses fourteen contiguous counties in Northeastern Illinois, Southeastern Wisconsin and Northwestern Indiana. Those counties are: Cook County, Illinois; DuPage County, Illinois; Will County, Illinois; Kane County, Illinois; Lake County, Illinois; McHenry County, Illinois; DeKalb County, Illinois; Kendall County, Illinois; Grundy County, Illinois; Kenosha County, Wisconsin; Lake County, Indiana; Porter County, Indiana; Newton County, Indiana; and Jasper County, Indiana. A map is provided in Binder 1.

**4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.**

Please see Binder 1.

**Part 3. Information About the Regional Center (Continued)**

5. Describe the past, current, and future promotional activities for the regional center. Include a description of the budget for this activity, along with evidence of the funds committed to the regional center for promotional activities. Submit a plan of operation for the regional center that addresses how EB-5 investors will be recruited, the method(s) by which the capital investment opportunities will be offered to the investors, and how they will subscribe or commit to the investment interest.

Please see Binder 1.

6. Describe whether and how the regional center is engaged in supporting a due diligence screening of its alien investor's lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital. Also, describe the regional center's prospective plans in this regard if they differ from past practice.

Please see Binder 1.

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center.

<p>Industry Category Title:  <input type="text" value="Commercial and Institutional Buildin"/></p> <p>NAICS Code for the Industry Category:  <u>2</u> <u>3</u> <u>6</u> <u>2</u> <u>2</u> <u>0</u></p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation  <input checked="" type="checkbox"/> Yes</p>
<p>Industry Category Title:  <input type="text" value="Educational Services"/></p> <p>NAICS Code for the Industry Category:  <u>6</u> <u>1</u> <u>1</u> <u>0</u> <u>0</u> <u>0</u></p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation  <input checked="" type="checkbox"/> Yes</p>
<p>Industry Category Title:  <input type="text" value="SEE BINDERS 1 AND 2 FOR ADDITIONAL"/></p> <p>NAICS Code for the Industry Category:          _____</p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation  <input checked="" type="checkbox"/> Yes</p>

**Part 3. Information About the Regional Center (Continued)**

8a. Describe and document the current and/or prospective structure of ownership and control of the commercial entity(s) in which the EB-5 alien investors have or will make their capital investments.

Please see Binder 2

b. Date commercial enterprise established, if any (mm/dd/yyyy): 07/31/2013

c. Organization Structure for commercial enterprise:

- 1. Corporation
- 2. Partnership (including Limited Partnership)
- 3. Limited Liability Company (LLC)
- 4. Other (Explain) \_\_\_\_\_

d. Has or will the Regional Center or any of its principals or agents have an equity stake in the commercial enterprise?

- No
- Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid. *See Binders 1 & 2*

e. Has or will the Regional Center or any of its principals or agents receive fees, profits, surcharges, or other like remittances through EB-5 capital investment activities from this commercial enterprise, beyond the minimum capital investment threshold required of the EB-5 alien entrepreneurs?

- No
- Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid. *See Binders 1 & 2*

**Part 4. Applicant Signature** *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete Part 5.*

I certify, under penalty of perjury under the laws of the United States of America, that this form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

<b>Signature of Applicant</b> 	<b>Daytime Phone Number</b> <i>(Area/Country Codes)</i> (312) 965-5979	<b>Date (mm/dd/yyyy)</b> 08/01/2013
<b>Printed Name of Applicant</b> DAVID B. ANDERSON	<b>E-Mail Address</b> ANDERSON@GREATLAKESREGIONALCENTER.COM	
<b>Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.)</b> MANAGING MEMBER		

---

**Part 5. Signature of Person Preparing This Form, If Other Than Above (Sign Below)**

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

**Attorney or Representative:** In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail?

No  Yes

<b>Signature of Preparer</b>		<b>Printed Name of Preparer</b>	<b>Date (mm/dd/yyyy)</b>
<b>Firm Name and Address</b>			
<b>Daytime Phone Number</b> <i>(Area/Country Codes)</i>	<b>Fax Number (Area/ Country Codes)</b>	<b>E-Mail Address</b>	



Great Lakes Regional Center

August 01, 2013

Mr. Daniel M. Renaud  
Acting Chief, Immigrant Investor Program  
U.S. Citizenship and Immigration Services  
U.S. Department of Homeland Security  
24000 Avila Road, 2nd Floor  
Laguna Niguel, CA 92677

Dear Chief Renaud:

Please find enclosed our application to become a Regional Center for the EB-5 investor program. Should you have a need to contact us, the contact information is:

David B. Anderson  
GREAT LAKES REGIONAL CENTER, LLC  
20 North Wacker Drive  
Suite 2200  
Chicago, IL 60606  
Cell: 312.965.5979  
Email: [anderson@greatlakesregionalcenter.com](mailto:anderson@greatlakesregionalcenter.com)

Thank you for your time and consideration.

Sincerely,

David B. Anderson  
Managing Member

# Business Plan



*This document contains confidential and proprietary information belonging exclusively to  
Great Lakes Regional Center, LLC  
This is a business plan. It does not imply an offering of securities.*

Section 1 • Executive Summary.....	4
Section 1.1 Company .....	4
Section 1.2 Company Contact.....	4
Section 1.3 Legal Form of Ownership .....	4
Section 1.4 Company Overview .....	4
Section 1.5 Geographic Focus.....	5
Section 1.6 Specific Industry Focus.....	7
Section 1.7 Economic Impact/Modeling.....	8
Section 2 • Great Lakes Regional Center Operating Plan.....	12
Section 2.1 Management Team.....	12
Section 2.2 Responsibilities Inherent in Conduct of the Regional Center.....	14
Section 2.3 Information Tracking.....	15
Section 2.3 Promotional Efforts.....	16
Section 2.4 Competition .....	21
Section 2.5 Financial Projections and Capitalization .....	32
Section 3 • Investment Structure .....	32
Section 3.1 LLC Structure and Investor Safety.....	32
Section 3.2 Qualification Points – EB-5 Investment Designation .....	32
Section 3.3 Investment Program Summary .....	33
Section 3.4 Active vs. Passive Investment .....	34
Section 3.5 Privacy Policy.....	34
Section 3.6 Exit Strategy Options.....	34
Section 3.7 Application Process.....	34
Section 3.8 Investor Tax Considerations.....	36
Section 3.9 Project Selection Strategy.....	36
Section 4 • Investor Administration and Documentation .....	36
Section 4.1 Investor Qualifications and Credits.....	36
Section 4.2 Investor Information Requirements .....	36
Section 4.3 Sources of Funds .....	37
Section 4.4 Summary, Investor Remittance Requirements.....	40
Section 5 • Legal and Risk Planning .....	40
Section 5.1 LLC Creation .....	40
Section 5.2 Due Diligence .....	40
Section 5.3 Document Review and Verification Policy .....	42
Section 5.4 Investor Risks .....	42
Appendices.....	45
Appendix A – GLRC Articles of Organization, Operating Agreement and Tax ID .....	45
Appendix B – Deriving SAM Multiplier Models Using IMPLAN .....	46
Appendix C – Financial Projections.....	47
Appendix D – Sample GLRC Documents .....	48
Appendix E – Sample Marketing Materials.....	49
Appendix F – Community Events and Letters of Support.....	50
Appendix G – U.S. Census Population and Growth Statistics for Geographic Focus Area .....	51

Appendix H – Current Illinois TEAs Within GLRC’s Geographic Focus Area ..... 53  
Appendix I – Current Indiana TEAs Within GLRC’s Geographic Focus Area ..... 68  
Appendix J – Current Wisconsin TEAs Within GLRC’s Geographic Focus Area ..... 70

## Section 1 • Executive Summary

### Section 1.1 Company

GREAT LAKES REGIONAL CENTER, LLC (also referred to herein as "GLRC")  
20 North Wacker Drive  
Suite 2200  
Chicago, IL 60606  
www.greatlakesregionalcenter.com

### Section 1.2 Company Contact

David B. Anderson  
Managing Member  
GREAT LAKES REGIONAL CENTER, LLC  
20 North Wacker Drive  
Suite 2200  
Chicago, IL 60606  
(312) 965-5979  
anderson@greatlakesregionalcenter.com

(b)(3)

### Section 1.3 Legal Form of Ownership

Great Lakes Regional Center, LLC is a Limited Liability Company organized in the State of Illinois on January 23, 2013. GLRC's federal tax id is [REDACTED] Copies of GLRC's Articles of Organization, Operating Agreement and federal tax letter are attached in Appendix A.

### Section 1.4 Company Overview

Great Lakes Regional Center, LLC is applying for designation as a Regional Center Under the Immigrant Investor Program (the "Program"). The Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

### Mission

Great Lakes Regional Center's mission is to bring economic development to the geographic area that it serves while being respectful of and beneficial to the needs of all parties involved.

### Goals & Objectives

- Provide investors, projects and communities access to the benefits of the Program

- [REDACTED]

(b)(4)

(b)(4)

- 
- To give back to the communities we serve in the form of grants, project sponsorship and job fairs.

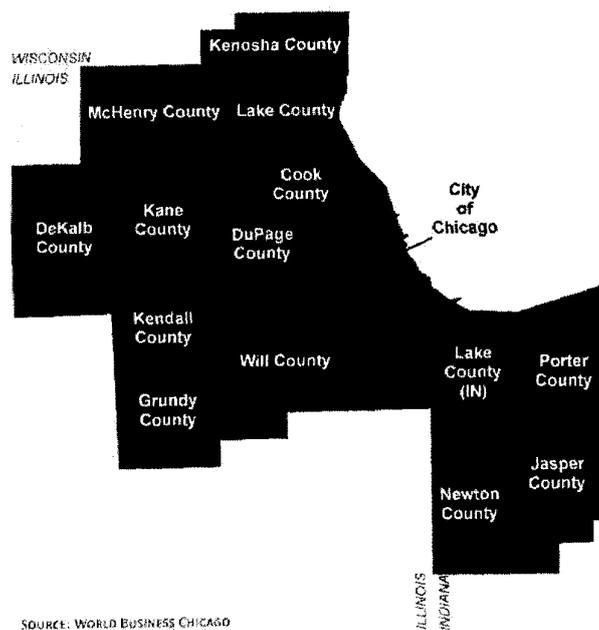
*Section 1.5 Geographic Focus*

GLRC will serve the region known as the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. This area encompasses fourteen counties in Northeastern Illinois, Southeastern Wisconsin and Northwestern Indiana:

- ❖ Cook County, Illinois
- ❖ DuPage County, Illinois
- ❖ Will County, Illinois
- ❖ Kane County, Illinois
- ❖ Lake County, Illinois
- ❖ McHenry County, Illinois
- ❖ DeKalb County, Illinois
- ❖ Kendall County, Illinois
- ❖ Grundy County, Illinois
- ❖ Kenosha County, Wisconsin
- ❖ Lake County, Indiana
- ❖ Porter County, Indiana
- ❖ Newton County, Indiana
- ❖ Jasper County, Indiana

The illustration below shows the counties in the target geographic area highlighted in dark blue:

Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area





In Indiana, the Indiana Economic Development Corporation (IEDC) is the agency responsible for identifying and certifying geographic areas or political subdivisions as high unemployment areas in Indiana as defined by 8 CFR 204.6 (e) (i), (e) (ii) and f (2), f(3). The State of Indiana utilizes STATS Indiana and posts data on the STATS Indiana website (<http://www.stats.indiana.edu/topic/laus.asp>) indicating areas within the state that qualify as a TEA. There are many communities, cities and villages and individual census tracts within GLRC's geographic focus area in Indiana that currently qualify as TEAs. A listing of these can be found in Appendix I.

In Wisconsin, the Wisconsin Department of Workforce Development (DWD) is the agency responsible for identifying and certifying geographic areas or political subdivisions as high unemployment areas in Indiana as defined by 8 CFR 204.6 (e) (i), (e) (ii) and f (2), f(3). The State of Wisconsin posts data on the DWD website ([http://worknet.wisconsin.gov/worknet/worknetinfo.aspx?htm=map\\_uRatesCo&menuselection=gp](http://worknet.wisconsin.gov/worknet/worknetinfo.aspx?htm=map_uRatesCo&menuselection=gp)) indicating unemployment rates for Wisconsin. A listing of individual census tracts within GLRC's geographic focus area in Wisconsin which currently qualify as TEAs can be found in Appendix J.

### *Section 1.6 Specific Industry Focus*

The focus on specific industries will be:

- ❖ NAICS 23622 – Commercial and Institutional Building Construction
- ❖ NAICS 33271 – Machine Shops
- ❖ NAICS 5415 – Computer Systems Design and Related Services
- ❖ NAICS 611 – Educational Services
- ❖ NAICS 7139 – Other Amusement and Recreation Industries
- ❖ NAICS 7225 – Restaurants and Other Eating Places
- ❖ NAICS 44512 – Convenience Stores
- ❖ NAICS 45111 – Sporting Goods Stores
- ❖ NAICS 622 – Hospitals
- ❖ NAICS 621 – Ambulatory Health Care Services
- ❖ NAICS 722 – Food Services and Drinking Places
- ❖ NAICS 6244 – Child Day Care Services
- ❖ NAICS 71394 – Fitness and Recreational Sports Centers
- ❖ NAICS 8132 – Grantmaking and Giving Services
- ❖ NAICS 8133 – Social Advocacy Organizations
- ❖ NAICS 452 – General Merchandise Stores
- ❖ NAICS 53 – Real Estate and Rental and Leasing
- ❖ NAICS 624 – Social Assistance

Business plans and economic impact analyses in support of each of these industries may be found in Binder 2.

## Section 1.7 Economic Impact/Modeling

GLRC has chosen to use the IMPLAN economic modeling software for economic impact analysis. The IMPLAN software and accompanying model is listed as an approved economic modeling tool on the USCIS website and an overview of the IMPLAN process is outlined below.

### Overview of the IMPLAN Model

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region. IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period.

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the “flow of dollars from purchasers to producers within the region.” It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of “local-level multipliers” that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

By constructing Social Accounts that describe the structure and function of a specific economy, IMPLAN can create a localized model to investigate the consequences of projected economic transactions in a geographic region. Used by over 2,000 public and private institutions, IMPLAN

is the most widely employed and accepted regional economic analysis software for predicting economic impacts.

IMPLAN works by utilizing Social Accounting Matrices and Multiplier models, each of which are discussed in additional detail below.

IMPLAN's Social Accounting Matrices (SAMs) capture the actual dollar amount of all business transactions taking place in a regional economy as reported each year by businesses and governmental agencies. SAM accounts are a better measure of economic flow than traditional input-output accounts because they include "non-market" transactions. Examples of these transactions would be taxes and unemployment benefits.

Regional Social Accounting Matrices, or SAMs, represent an IMPLAN extension for regional economic modeling. SAMs provide information on non-market financial flows. IMPLAN type inter-industry models provide information on market transactions between firms, consumers, and they capture payments of taxes by individuals and businesses, transfers of government funds to people and businesses, and transfer of funds from people to people.

The developers of IMPLAN have developed methodologies for creating local (county) area SAM data that is consistent with National Income and Produce Accounts (NIPA).

SAM accounts are an extension of traditional Input-Output accounts. Like Input-Output analysis, a full Social Accounting Matrix is a double-entry bookkeeping system capable of tracing monetary flows through debits and credits similar to T-Accounts in basic financial accounting. The matrix format allows the double-entry bookkeeping to be displayed in a single entry format. The column entries represent expenditures (payments) made by the economic agents. The row entries represent receipts or income to agents. By accounting definition, all receipts must equal all expenditures. That is, the SAM must balance. The shaded areas in figure below are the inter-industry transfer cells.

SAM Framework

	Industry	Commodity	Factors	Institutions	Enterprises	Capital	Trade	Total
Industry		<i>Make</i>					<i>Exports</i>	Total Industry Income
Commodity	<i>Use</i>			<i>Consumption</i>		<i>Consumption</i>		Total Commodity Income
Factors	<i>Value Added</i>						<i>Exports</i>	Total Factor Income
Institutions		<i>Sales</i>	<i>Transfers</i>	<i>Transfers</i>	<i>Transfers</i>		<i>Exports</i>	Total Institution Income
Enterprises								Total Enterprise Income
Capital						<i>Transfers</i>	<i>Exports</i>	Total Capital Income
Trade	<i>Imports</i>		<i>Factor Trade</i>	<i>Imports</i>		<i>Transfer</i>	<i>Exports</i>	Total Trade Income
Total	Total Industry Outlay	Total Commodity Outlay	Total Factor Outlay	Total Institution Outlay	Total Enterprise Outlay	Total Capital Outlay	Total Trade Outlay	

Column and row entries represent different economic actors. Across the row, “Industry” represents Industries producing goods and services. “Commodity” is the goods and services consumed by Industries and Institutions. “Factors” are factors of production, such as Employee Compensation, Proprietors’ Income and Other Property Income. “Institutions” include Household and government accounts. “Capital” is investment and borrowing. “Enterprises” represent the distribution of corporate profits. “Trade” (exports and imports) show monetary flows into and out of a region.

Individual elements within the SAM tables include the use and make matrices and Value Added. The use table shows the use of Commodities by Industry or the goods and services required to produce an Industry's output. The make table shows the make of Commodities by Industry, or who produces Commodities. These are typical components of Input-Output models. Also found in typical I/O models are final demand or Institutional consumption, exports and imports.

The SAM adds non-industrial financial flows in addition to the typical I/O elements. Looking first at receipts or income, Industries make payments to Commodities for goods and services, payments to workers, profits (factors), payments to Institutions (Households, governments,

capital) or distributions, taxes, and borrowing. Lastly, Industries make payments to imports for use in production. The total is Total Industry Outlay.

Commodities make payments in the sense that there is a sum paid to produce Commodities. There are also non-Industrial sales of Commodities from Institutions.

Institutional income is also distributed to other Institutions. This is the real contribution of a SAM. These inter-institutional transfers show the flow of non-industrial funds. Inter-institutional transfers include transfers from businesses to households (interest and dividend payments), transfers from people to government (payment of taxes), and transfers from governments to people (social security, unemployment compensation and other refunds and benefits). Inter-institutional transfers also include the capital accounts. For businesses, this is investment and borrowing. For households this is net savings. Government capital accounts show surplus and deficits.

Social Accounting Matrices can be constructed to show the effects of a given change on the economy of interest. These are called Multiplier Models. Multiplier Models study the impacts of a user-specified change in the chosen economy for 440 different industries. Because the Multiplier Models are built directly from the region-specific Social Accounting Matrices, they will reflect the region's unique structure and trade situation.

Multiplier Models are the framework for building impact analysis questions. Derived mathematically, these models estimate the magnitude and distribution of economic impacts, and measure three types of effects which are displayed in the final report. These are direct, indirect, and induced changes within the economy. Direct effects are determined by the Event as defined by the user (i.e. a \$10 million dollar order is a \$10 million dollar direct effect). The indirect effects are determined by the amount of the direct effect spent within the study region on supplies, services, labor and taxes. Finally the induced effect measures the money that is re-spent in the study area as a result of spending from the indirect effect. Each of these steps recognizes an important leakage from the economic study region spent on purchases outside of the defined area. Eventually these leakages will stop the cycle.

As a reference, direct, indirect, and induced effect are defined as:

- **Direct**: The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically, to these initial changes.
- **Indirect**: The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applied Direct Effects to the Type I Multipliers.
- **Induced**: The response by an economy to an initial change (direct effect) that occurs

through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.

Please see Appendix B "Deriving SAM Multiplier Models Using IMPLAN" for a further review of the IMPLAN process.

Please see Binder 2 for business plans and economic impact analyses in support of each of the target industries.

## **Section 2 • Great Lakes Regional Center Operating Plan**

### *Section 2.1 Management Team*

GLRC is led by highly-qualified, carefully selected professionals in order to implement and manage the activities of GLRC in compliance with USCIS regulations.

*David B. Anderson – Founder and Managing Member.* Mr. Anderson has extensive experience as a Chicago based senior C-level executive while serving in the capacities of General Counsel, business strategy and development and line management officer while leading Inland Steel Industries, GATX and other multinational corporations. More recently, Anderson has served as an investor, founder, and managing partner of international consulting businesses. His extensive relationships with major private equity firms in the U.S. and China provide the potential to source and structure access to private capital. He has held multiple public and private board and advisory positions and currently serves on the boards of Advocate Healthcare Systems, Rulester, ViMedicus, and Chicago Local Initiatives Support Corporation (Emeritus Chair).

*Joanna Herbert – Vice President.* Ms. Herbert brings extensive experience forming new ventures in both the U.S. and Europe as well as experience in operations, project management, process, and technology integration. Her experience includes service as director of process design and infrastructure for a \$2B provider of post-secondary education with 75 campuses worldwide, as a project manager for Thomson Reuters' Quantitative Analytics division, as a senior consultant for RSM McGladrey's National Corporate Recovery division, and as a director of Europlus TV in Rome, Italy.

*Jim Capraro* brings 35 years of community organizing and development experience, including comprehensive community development, strategic planning, community organizing, collaboration, and nonprofit management. He was the founding executive director and CEO of the Greater Southwest Development Corporation - an organization that achieved over \$500 million in community development projects. During his tenure, GSDC was designated by the National Neighborhood Reinvestment Corporation as a national model for commercial

revitalization and selected by the Chicago Local Initiatives Support Corporation (LISC) as the recipient of the “Outstanding Community Development Organization” award.

*Joel Bookman* is a consultant in economic development, comprehensive community development, and project management with 35 years of experience in the field. He has served as executive director of a nonprofit community development corporation, managing director of a national institute for comprehensive community development, a developer and CEO of senior housing and retail shopping center projects, and as an adjunct professor in the Graduate School of Business at North Park University. He holds a Master of Urban Planning and Policy from the University of Illinois at Chicago.

*Noah Jenkins* brings 20 years of experience in private and government grant writing, strategic planning, and nonprofit organizational development. Her grant writing services have raised more than \$8 million for clients to provide direct services. Her client list includes community-based organizations, universities, foundations, and advocacy organizations. She is Phi Beta Kappa and serves as adjunct faculty for two graduate programs in Chicago and has years of board service for several local nonprofits. She holds a Master of Urban Planning and Policy from the University of Illinois at Chicago.

*John Klyczek* brings a 30-year track record as a senior leader (COO, CFO, EVP) and as an executive consultant in both the manufacturing and service sectors. Areas of focus include finance, operations, IT, logistics, strategy, and M&A with large public, private equity-owned, large privately-held, and start-up businesses.

## **Advisors**

*Jing Zhao Cesarone*, CEO, Chinawise Business Consulting LLC, brings more than 15 years of experience in strategic market entry, branding, cross-cultural communications, and public relations. In 1996, she began working for Siemens Ltd. in China to lead the company’s branding and marketing efforts nationwide. In 1998, Jing left China to pursue graduate studies in communications at UIC in Chicago. After working for U.S. consulting firms, Jing started her own U.S.-China business consulting company in 2001, and has been working with U.S. businesses to bring their products and services to the China market. To date, she has successfully led more than 30 branding and marketing activities in China and has been actively engaged in bringing Chinese investments to the U.S. through EB-5 projects and the establishment of partnerships or U.S. subsidiaries. As an experienced cross-cultural expert, Jing has been effective in leading and managing a number of U.S.-China business alliances. Her bilingual and bicultural background enables her to understand both Chinese and American cultures, thinking patterns, and decision making and business processes, all critical for a successful cross-cultural collaboration.

*John N. Hourihane, Jr.* is a founding member of Murphy & Hourihane with more than 14 years of experience representing clients in complex commercial litigation, business organization and counseling, and civil appeals. John has prosecuted and defended complex commercial disputes, shareholder derivative litigation, declaratory judgment actions, and has secured emergency

injunctions relating to claims for breach of contract, fiduciary duties, fraud and professional negligence. John has also represented clients in commercial transactions relating to raising debt and equity capital, banking, recapitalizations, commercial leasing, employment matters, risk management and business planning.

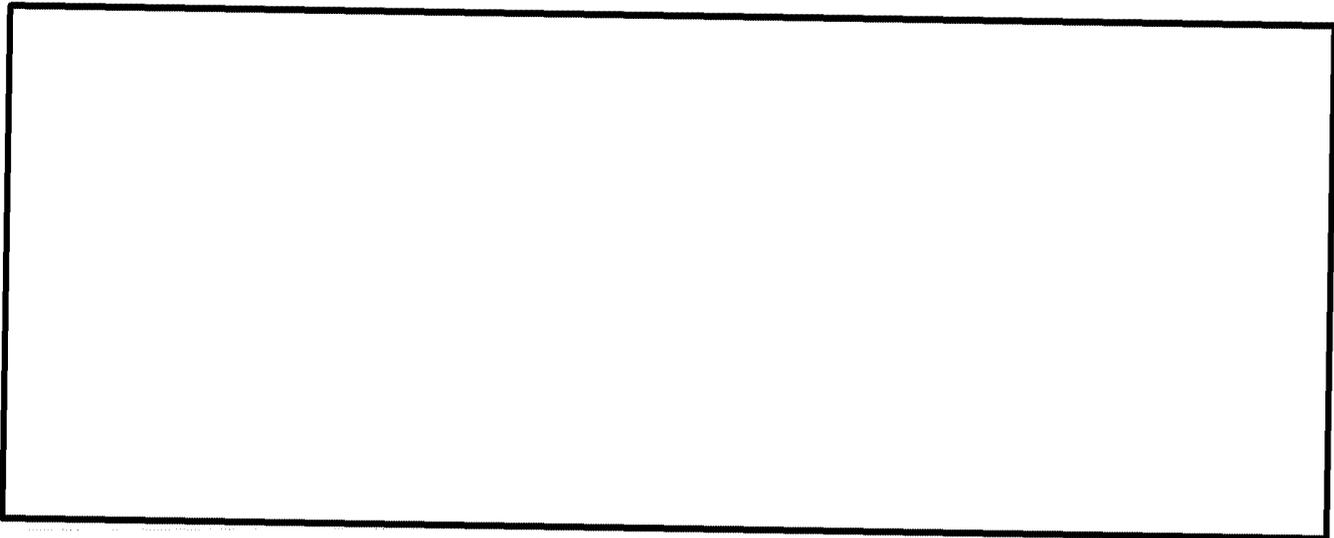
John has counseled clients in actions based on violation of state and federal securities laws relating to the sale of unregistered securities and fraudulent investment schemes, and in employment controversies that focus on non-solicitation agreements and alleged breach of fiduciary duty. In addition, he has represented clients in state and federal appellate matters that involve prosecuting or defending direct appeals from judgment, securing temporary restraining orders and preliminary injunctions, and pursuing supervisory orders and enforcement of judgments. He is also skilled at alternative dispute resolution, and has represented the founders of a high tech startup in arbitrating alleged violation of employment agreements.

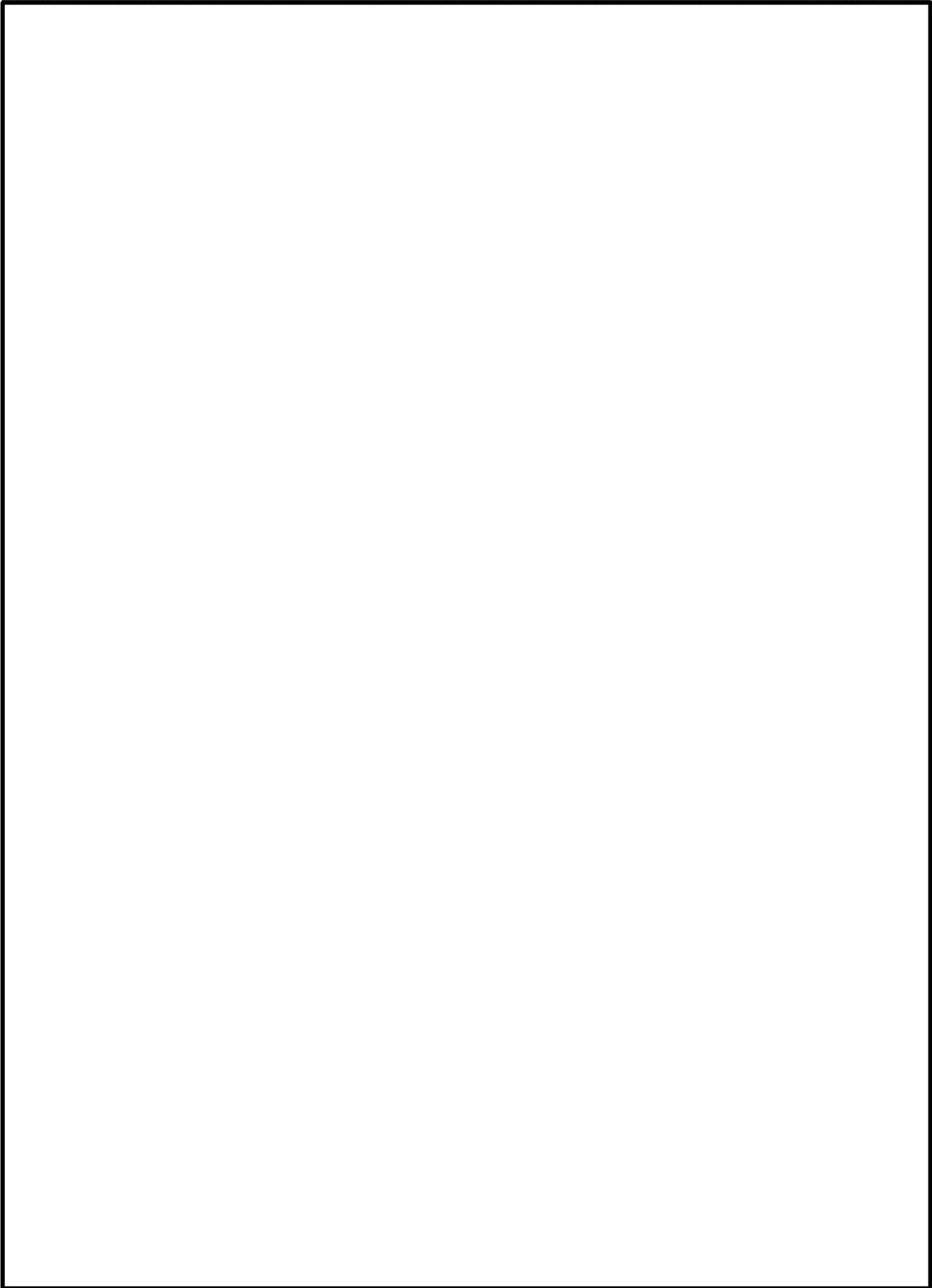
John is successful in complex business and financial litigation and transactions because he has a solid business background. Prior to practicing law, he was a finance manager for a manufacturing company and budget director for the Office of the Chief Judge of the Circuit Court of Cook County, Illinois. He holds both Bachelor's and Master's degrees in Business Administration from Loyola University of Chicago, and is licensed as a Certified Public Accountant in Illinois.

A graduate of Illinois Institute of Technology Chicago-Kent College of Law, John is admitted to practice in the State of Illinois. He is a member of the general and trial bars of the United States District Court for the Northern District of Illinois, the Seventh Circuit United States Court of Appeals and the United States Supreme Court.

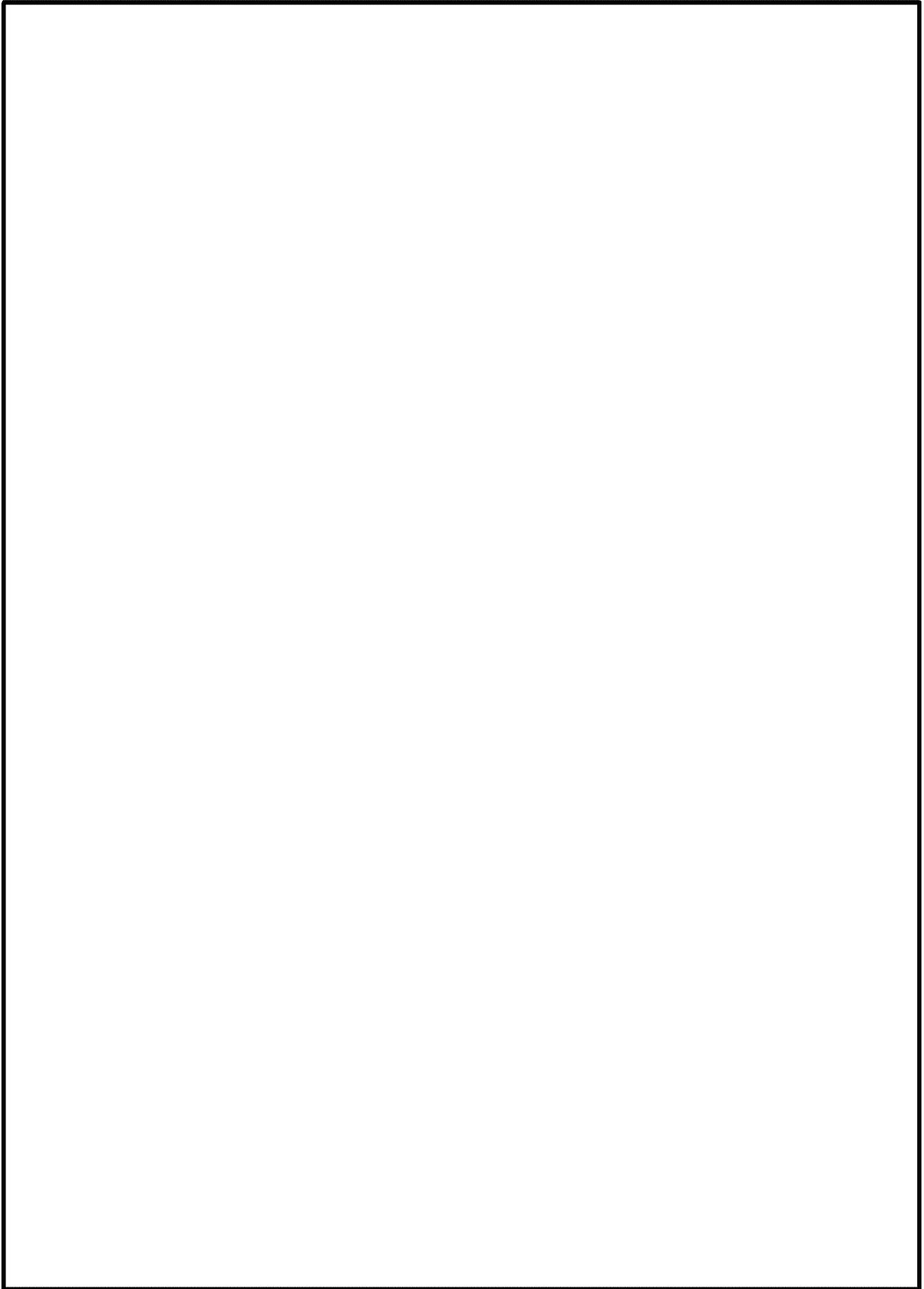
*Section 2.2 Responsibilities Inherent in Conduct of the Regional Center*

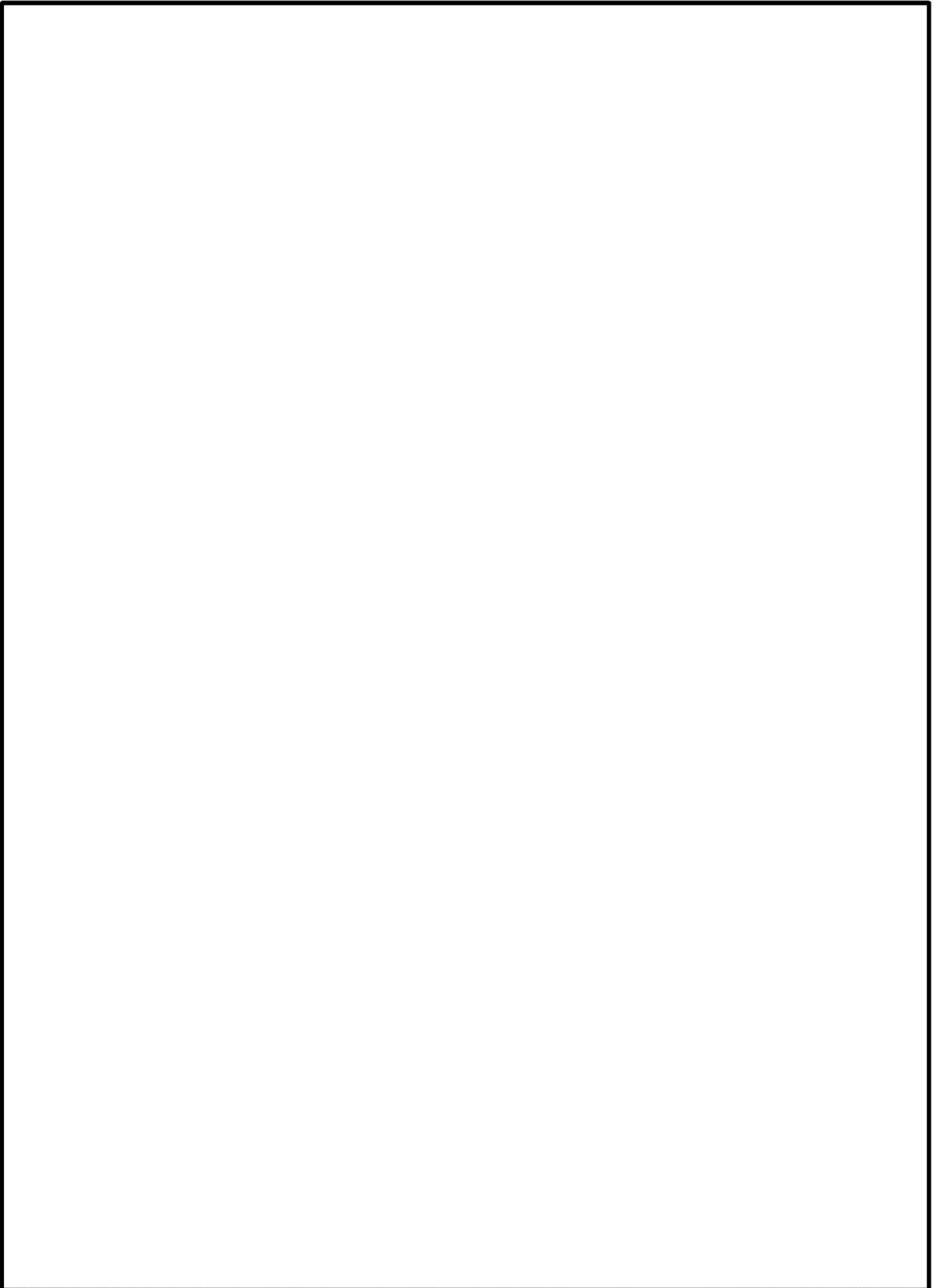
(b)(4) The regulations of 8 CFR 204.6(m)(6) require that an approved regional center, in order to maintain the validity of its approval and designation, must continue to meet the statutory requirements of the Program by serving the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.



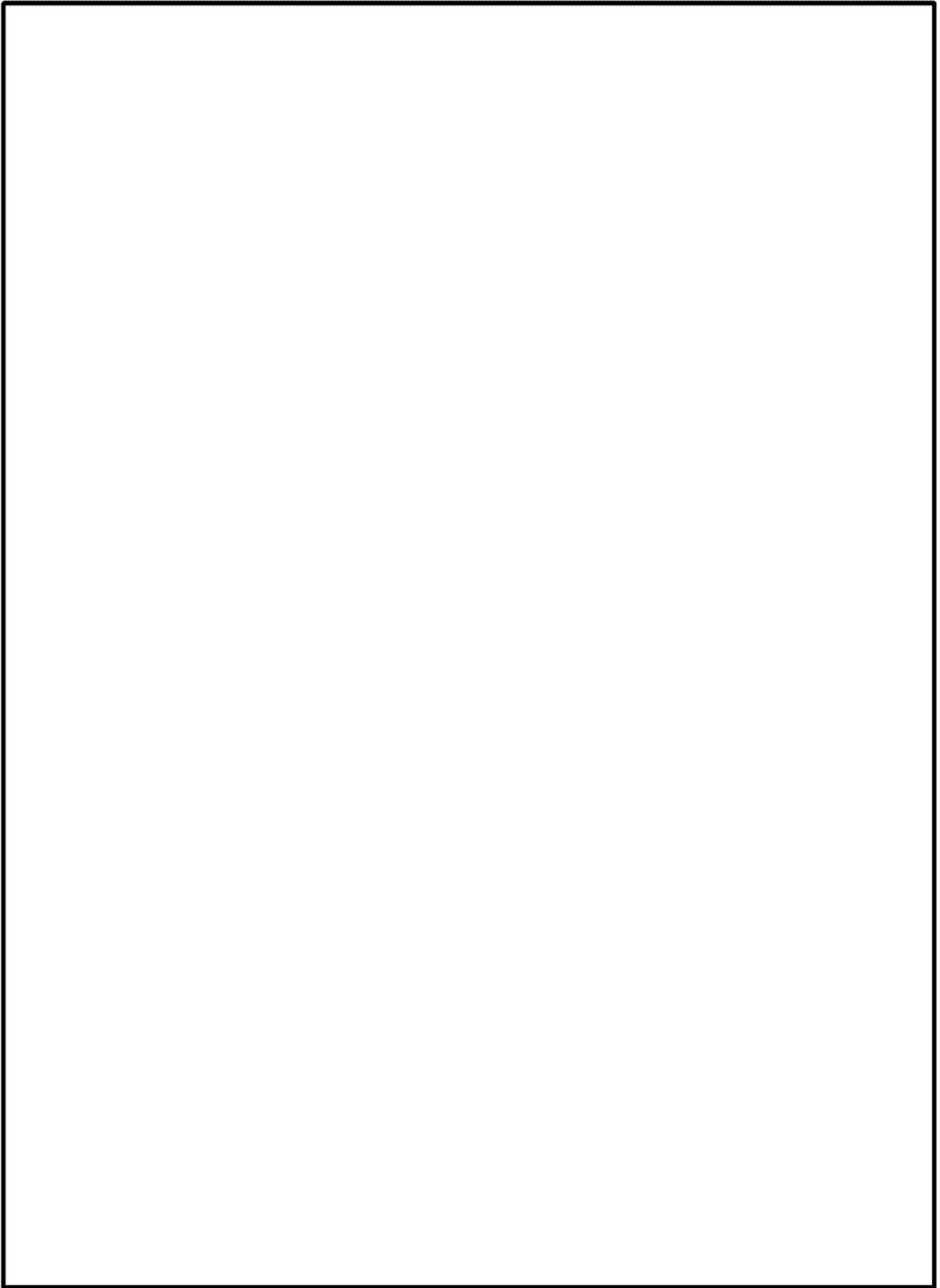


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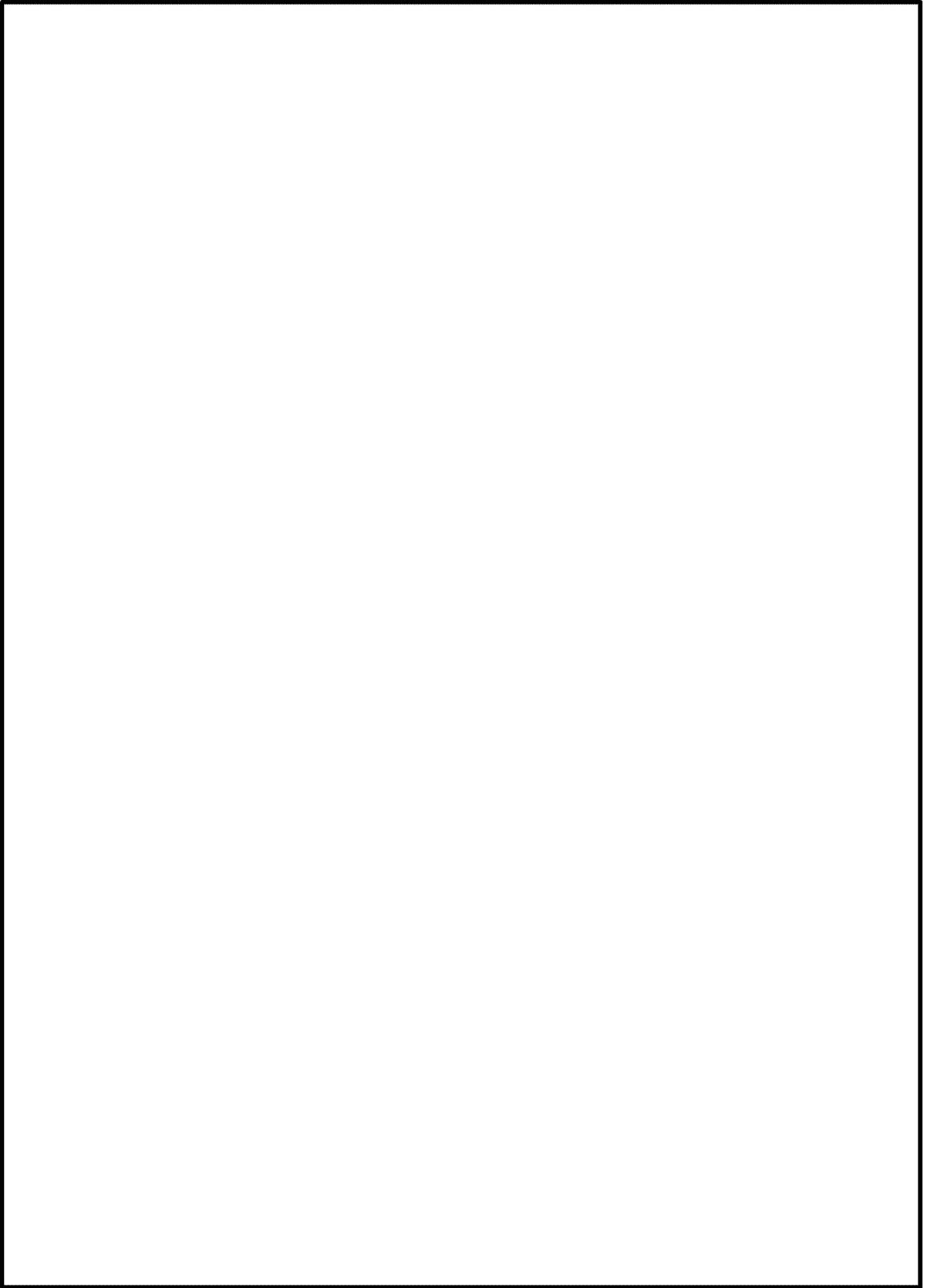


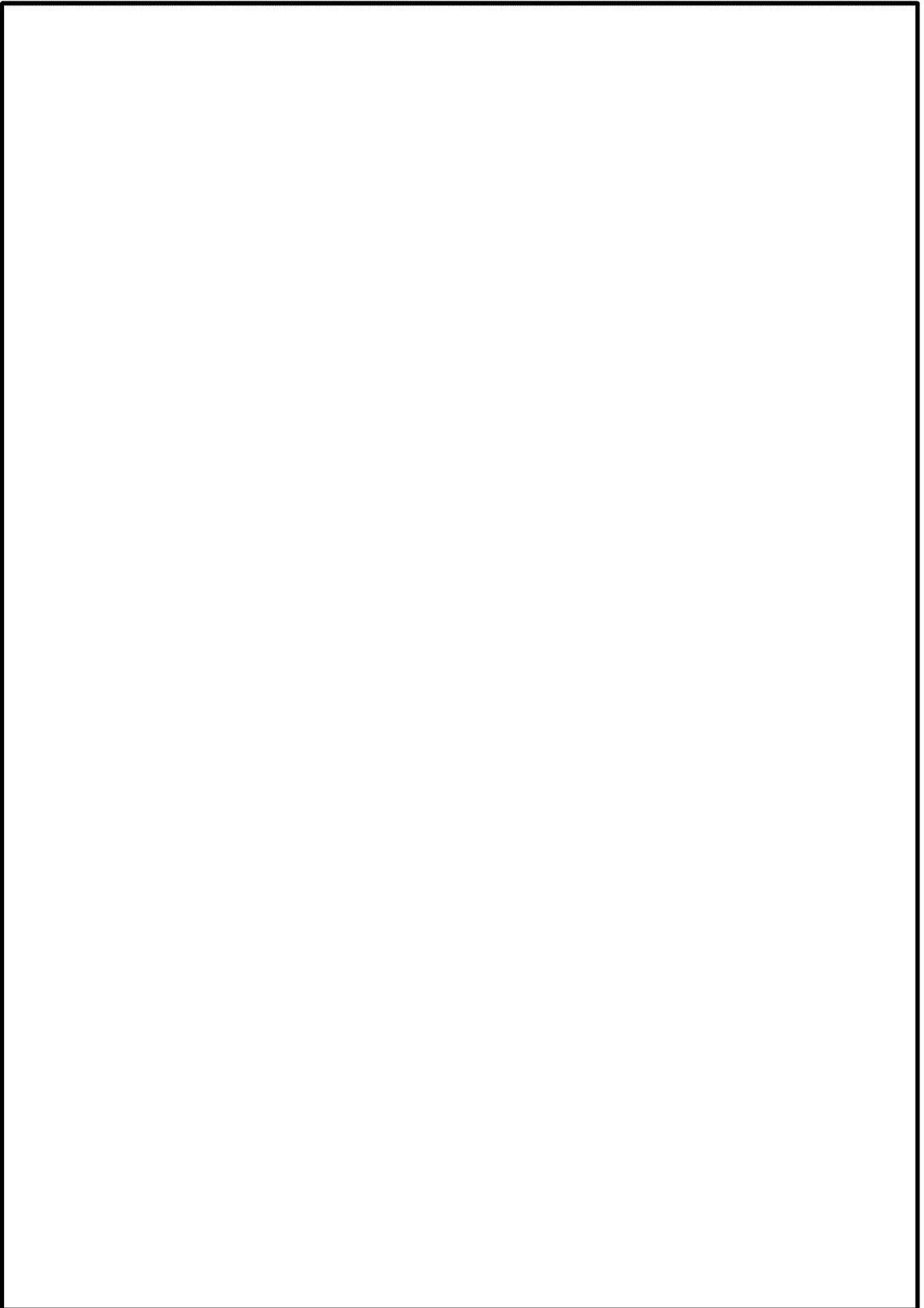


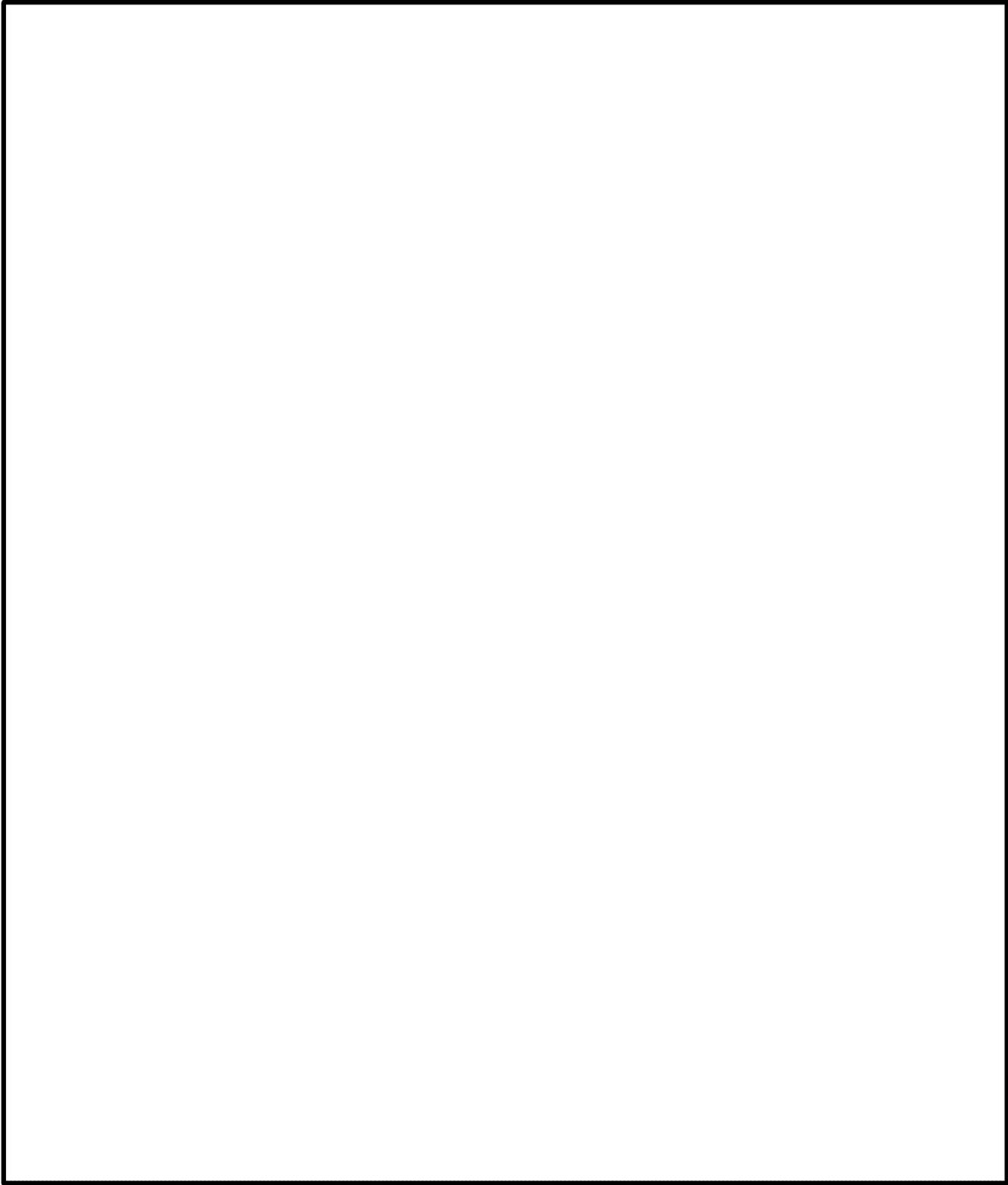
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*Section 2.4 Competition*

As of July 31, 2013 there are 349 current Regional Centers. The following table lists the names of the Regional Centers by state. The full listing of Regional Centers may be also found on the USCIS website at [www.uscis.gov/eb-5centers](http://www.uscis.gov/eb-5centers).

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<sup>3</sup> World Business Chicago website: <http://www.worldbusinesschicago.com/data/international>.

State	Regional Center
Alabama	America's Center for Foreign Investment
Alabama	Gulf Coast Regional Investment Center, LLC
Alabama	Gulf States Regional Center, LLC
Alabama	Southeast Regional Center LLC
Alabama	Sunbelt EB-5 Regional Center, LLC
Arizona	Arizona Alternative Energy Center, LLC
Arizona	Central Arizona Regional Center
Arizona	Grand Canyon Regional Center, LLC
Arizona	Green Card Fund, LLC
Arizona	Liberty West Regional Center
Arizona	U.S. Federal Investment Immigration Fund, LLC
Arkansas	Liberty South Regional Center
California	AAA California Regional Center
California	ACS Regional Center
California	Admiralty California Regional Center LLC
California	Alliance Regional Center   Oasis Growth Partners LLC
California	American Development and Investment Regional Center
California	American Franchise Regional Center LLC
California	American Gateway Regional Center
California	American General Realty Advisors Regional Center
California	American Greenland Regional Center
California	American Life Development Company LLC
California	American Logistics [International] Regional Center
California	American Redevelopment RC / American Redevelopment Solutions LLC
California	American Sun Regional Center
California	American Vantage Regional Center
California	Bay Area Regional Center LLC
California	California Consortium for Agricultural Export (CCAЕ)
California	California Development Regional Center
California	California Energy Investment Center
California	California Farm Limited Partnership
California	California Global Alliance Regional Center c/o Lewis C. Nelson & Sons, Inc.
California	California Golden Fund
California	California Green Regional Center
California	California Greenhouse Farm Regional Center
California	California Investment Immigration Fund, LLC (CIIF)
California	California Pacific Group Regional Center
California	California Real Estate Regional Center
California	California Regional Center, LLC
California	California Wineries & Vineyards, LLC Regional Center (CWVRC)
California	Century American Regional Center
California	CMB Export LLC

California	Dos Lagos Regional Center LLC
California	EBS Express Regional Center
California	Encore S. CA RC, LLC
California	FDIUS Regional Center
California	FreeMind Films Regional Center
California	Global Premier America Regional Center LLC
California	Golden Bear Regional Center
California	Green Energy Regional Center, LLC (GERC)
California	Harris Investment Immigration Fund, LLC
California	Hollywood International Regional Center
California	Hollywood Regional Center
California	Home Paradise Regional Center
California	Imperial Regional Center
California	Inland Empire Renewable Energy Regional Center, LLC
California	Invest LA Regional Center, LLC
California	L.A. Life Regional Center
California	Lake Elsinore Regional Center
California	Liberty West Regional Center
California	Los Angeles County Regional Center
California	Los Angeles Regional Center
California	M&D Regional Center, LLC
California	Nevada California Regional Center
California	New Energy Horizons Regional Center
California	New World Regional Center
California	Next Bay Properties, LLC
California	Northern California Regional Center, LLC
California	OIS-NCA LLC
California	Pacific Coast Regional Center
California	Pacific Dynasty Regional Center
California	Pacific Proton Therapy Regional Center, LLC
California	Powerdyne Regional Center, LLC
California	Regional Center Management Los Angeles
California	Regional Center Properties, LLC
California	Regional Economic Development & Investment Group
California	Rosti Capital Regional Center
California	San Francisco Bay Area Regional Center
California	San Francisco Regional Center
California	San Gabriel Valley Regional Center
California	Silicon Valley California Regional Center
California	Silicon Valley Venture Investment Regional Center
California	South East Los Angeles RC (SELARC)California
California	Southern California Investment Center, LLC
California	Synergy California Green Hospitality Regional Center, LLC

California	The Z Global Corporation Regional Center
California	United Venture Regional Center, LLC
California	US Commercial Regional Center
California	United States Employment Development Lending Center
California	USA Continental Regional Center, LLC
California	Velocity Regional Center
California	Waylee Investment, LLC
California	YK America Regional Center LLC
Colorado	Colorado Intercontinental Regional Center, LLC Stephen S. Smith c/o Evergreen Land Co.
Colorado	Colorado Regional Center, LLC
Colorado	Invest U.S. Regional Center
Colorado	Rocky Mountain High Regional Center
Commonwealth of Northern Marianas Islands	Marianas EB5 Regional Center
Connecticut	New England Regional Center
District of Columbia	Anacostia Regional Center
District of Columbia	Capital Area Regional Center (CARC)
District of Columbia	DC Regional Center
District of Columbia	Encore Wash D.C. RC, LLC
District of Columbia	Westmill Mid-Atlantic Regional Center LLC
Florida	American Life Investments, LLC
Florida	American EB-5 Centers
Florida	America's Center for Foreign Investment
Florida	American Liberty Regional Center, LLC
Florida	American Opportunity Regional Center LLC
Florida	BirchLEAF Miami 31, LLC Regional Center
Florida	Charlotte Harbor Regional Center
Florida	Florida EB5 Investments LLC Regional Center
Florida	Florida EB-5 Regional Center, LLC
Florida	Florida Equity & Growth Fund Regional Center, LLC
Florida	Florida Overseas Investment Center RC
Florida	Florida Regional Center, LLC
Florida	Gardens Regional Center, LLC
Florida	Gold Coast Florida Regional Center
Florida	Gulf Coast Regional Investment Center, LLC
Florida	Gulf States Regional Center, LLC
Florida	Hollywood Beach Regional Center LLC
Florida	Leaf Fischer Investment Group, LLC
Florida	American Venture Solutions Regional Center
Florida	Mirzam Investor Green Card Regional Center
Florida	Omega Florida Regional Center
Florida	Orlando EB-5 Investments Regional Center
Florida	Palm Beach RC

Florida	Palm Coast Florida Regional Center
Florida	Regional Center of South Florida, LLC
Florida	South Atlantic Regional Center (SARC)
Florida	South Florida Investment Regional Center (SFIRC)
Florida	US EB5 Florida Regional Center
Georgia	America's Center for Foreign Investment
Georgia	American Investment and Immigration Center, LLC
Georgia	Atlanta EB5 Regional Center LLC
Georgia	Georgia Center for Foreign Investment and Development
Georgia	Georgia Regional Center, LLC
Georgia	Middle Georgia Regional Center
Georgia	Southeast Regional Center LLC
Georgia	Southeast Foreign Investment Center LLC
Georgia	USHoldings Regional Center
Guam	Guam Strategic Development LLC RC
Hawaii	Aloha Regional Center, LLC
Hawaii	EB-5 Jobs for Hawaii, LLC
Hawaii	Golden Pacific Ventures Regional Center
Hawaii	Hawaii Regional Center
Hawaii	Hawaiian Islands Regional Center LLC
Idaho	Idaho Global Investment Center, LLC
Idaho	Idaho State Regional Center LLC
Idaho	Invest Idaho Regional Center
Illinois	Blue Ribbon Regional Center, LLC
Illinois	Chicago Healthcare Fund Regional Center
Illinois	Chicago Metro Regional Center, LLC
Illinois	Chicago Regional Center
Illinois	Chicagoland Foreign Investment Group (CFIG) Regional Center
Illinois	Intercontinental Regional Center Trust of Chicago
Illinois	LaSalle County Business Development Center (LCBDC)
Illinois	Local Government Regional Center of Illinois
Illinois	Northern Illinois Regional Center
Illinois	US HITEC Regional Center
Indiana	Chicago Healthcare Fund Regional Center
Indiana	Chicagoland Foreign Investment Group (CFIG) Regional Center
Indiana	Energize-ECI EB-5 Visa Regional Center
Indiana	Global Investment Consulting, Inc.
Indiana	Midwest Center for Foreign Investment, LLC
Iowa	Iowa Department of Economic Development (IDED)
Kansas	1900 Gulf Street Partners Regional Center
Kansas	Kansas Bio-Fuel RC, LLC
Kansas	Kansas Regional Center
Kentucky	Midwest Center for Foreign Investment, LLC

Kentucky	Midwest EB-5 Regional Center LLC
Louisiana	Continental Americas Regional Center
Louisiana	Gulf Coast Regional Investment Center LLC
Louisiana	Gulf Coast Renewables & Redevelopment, LLC
Louisiana	Gulf States Regional Center, LLC
Louisiana	Louisiana Mississippi Regional Center
Louisiana	Luca Energy Fund Regional Center
Louisiana	New Orleans' Mayor's Office RC
Maine	USA Lifestyles Regional Center
Maryland	Capital Area Regional Center (CARC)
Maryland	DC Regional Center
Maryland	Encore Wash D.C. RC, LLC
Maryland	Maryland Area Regional Center, LLC
Maryland	Maryland Center for Foreign Investment, LLC
Maryland	Oriental Dolphin EB-5 Regional Center
Maryland	Three Streams Mid-Atlantic Regional Center
Maryland	Washington Center for Foreign Investment, LLC
Maryland	Westmill Mid-Atlantic Regional Center LLC
Massachusetts	EB-5 Jobs for Massachusetts, Inc.
Massachusetts	Arundel Capital Partners
Michigan	Detroit Immigrant Investor Regional Center
Michigan	EB-5, MRC LLC
Michigan	Green Detroit Regional Center, LLC
Michigan	International Michigan Investments Regional Center
Michigan	Lansing Economic Development Corporation (LEDC) Regional Center
Michigan	Michigan Renaissance Regional Center
Michigan	Tucker Development Corporation Regional Center
Minnesota	UND Center for Innovation Foundation Regional Center
Mississippi	America's Center for Foreign Investment
Mississippi	Gulf Coast Funds Management, LLC
Mississippi	Gulf States Regional Center, LLC
Mississippi	Liberty South Regional Center
Mississippi	Louisiana Mississippi Regional Center
Mississippi	Gulf Coast Regional Investment Center LLC
Mississippi	Gulf Coast Renewables & Redevelopment, LLC
Mississippi	Mississippi Development Center, LLC
Missouri	1900 Gulf Street Partners Regional Center
Missouri	Gateway to the Midwest Investment Center, Inc.
Montana	Northern Rockies Regional Center
Montana	USA Montana Energy Regional Center
Montana	Yellowstone Montana Regional Center, LLC
Nebraska	NuNebraska Regional Center, LLC
Nevada	Clark County Regional Center

Nevada	Geothermal Regional Center LLC
Nevada	Las Vegas EB-5 Immigration, LLC
Nevada	Las Vegas Economic Impact Regional Center, LLC
Nevada	Las Vegas Regional Center
Nevada	Nevada California Regional Center
Nevada	Nevada Regional Center
Nevada	Nevada Regional Economic Development Center (NREDC)
Nevada	Nevada State EB-5 Regional Center, Inc.
Nevada	Northern California Regional Center, LLC
New Hampshire	New Hampshire EB-5 Regional Center
New Jersey	Lion's Regional Center
New Jersey	New Jersey EB-5 Regional Center
New Jersey	New Jersey Liberty Regional Center, LLC
New Jersey	New Jersey Regional Center, LLC
New Jersey	New York City Real Estate Regional Center, LLC
New Jersey	New York Federal Regional Center
New Jersey	N U.S. Immigration Fund - NJ, LLC
New Mexico	Allied Artist High Desert EB5 Regional Center
New York	Advantage America New York Regional Center, LLC
New York	American Regional Center for Entrepreneurs
New York	Buffalo Regional Center
New York	EB-5 New York State, LLC
New York	Empire State EB-5 Regional Center
New York	Extell New York Regional Center
New York	Federal New York Metropolitan Regional Center
New York	Lam NYC EB-5 Fund Regional Center, LLC
New York	Manhattan Regional Center, LLC
New York	New York City Real Estate Regional Center, LLC
New York	New York City Regional Center, LLC
New York	New York Federal Regional Center
New York	New York Immigration Fund, LLC
New York	New York Proton Regional Center, LLC
New York	North Country EB-5 Regional Center LLC
New York	NYC Metro Regional Center LLC
New York	NYUS Regional Center
New York	Real Estate Immigration Fund, LLC
New York	U.S. Immigration Fund N-Y
North Carolina	Appalachian EB-5 Regional Center
North Carolina	Atlantic Regional Center for Foreign Investment, LLC (ARCFi)
North Carolina	Carolina Center for Foreign Investment RC
North Carolina	Encore Raleigh/Durham Regional Center
North Carolina	North Carolina Center for Foreign Investments, LLC
North Carolina	Tennessee Regional Center, LLC

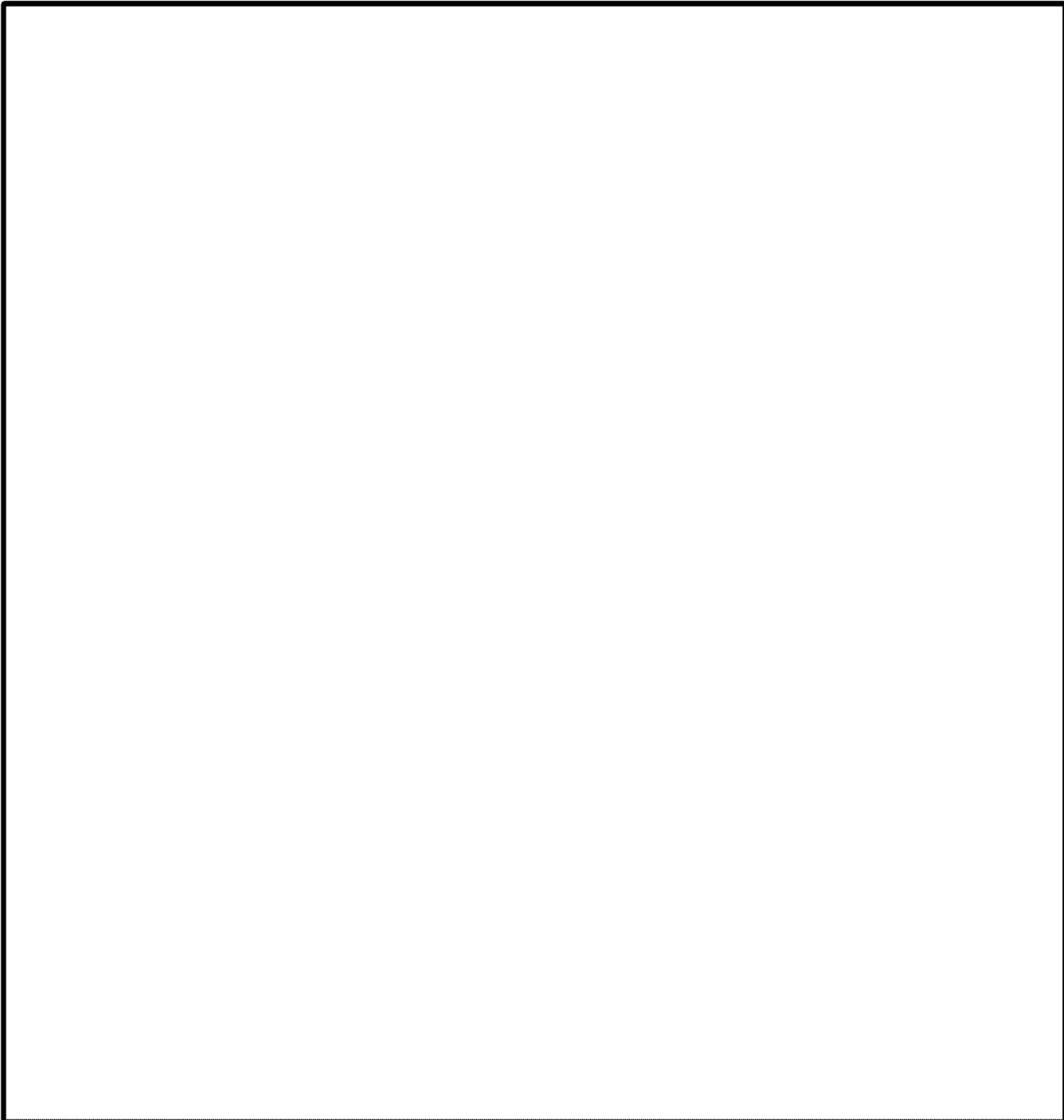
North Dakota	UND Center for Innovation Foundation Regional Center
Ohio	Cleveland International Fund, Ltd
Ohio	CMB Summit LLC RC
Ohio	Midwest EB-5 Regional Center LLC
Ohio	Northeast Ohio Regional Center
Ohio	Ohio Development Regional Center
Oklahoma	Briight Partners Regional Center
Oklahoma	South West Biofuel RC, LLC (SWBRC)
Oklahoma	Southern Star Regional Investment Center, LLC
Oregon	American Life Inc. Regional Center - Seattle (Golden Rainbow & Gateway Freedom Fund
Oregon	American United EB-5 Regional Center
Oregon	EB5 West LLC
Oregon	Portland Regional Center
Pennsylvania	Three Streams Mid-Atlantic Regional Center
Pennsylvania	New York Federal Regional Center
Pennsylvania	Empire State EB-5 Regional Center
Pennsylvania	Lion's Regional Center
Pennsylvania	New Jersey EB-5 Regional Center
Pennsylvania	Pennsylvania Department of Community and Economic Development Regional Center
Pennsylvania	Pittsburg Regional Investment Center LLC
Pennsylvania	Philadelphia Industrial Development Corporation (PIDC) Regional Center
Puerto Rico	Iconic Caribbean EB-5, LLC
Puerto Rico	Omega Puerto Rico Regional Center, LLC
South Carolina	Carolina Center for Foreign Investment RC
South Carolina	Coastal Carolina Regional Center
South Carolina	USHoldings Regional Center
South Dakota	South Dakota International Business Institute (SDIBI)
Tennessee	America's Center for Foreign Investment
Tennessee	Appalachian EB-5 Regional Center
Tennessee	Encore Nashville RC, LLC
Tennessee	Tennessee Regional Center, LLC
Texas	820 Industrial Loop Partners Regional Center
Texas	Ameri-Link Capital Regional Center
Texas	American Regional Center, LLC
Texas	Brooks City-Base Regional Center
Texas	City of Dallas RC (CDRC)
Texas	Civitas Texas Regional Center
Texas	CP Regional Center Inc
Texas	Crown Point Regional Center
Texas	DC Partners Regional Center
Texas	Global Century (Houston)
Texas	Great Texas Regional Center, LLC
Texas	Great Southwest Regional Center, LLC

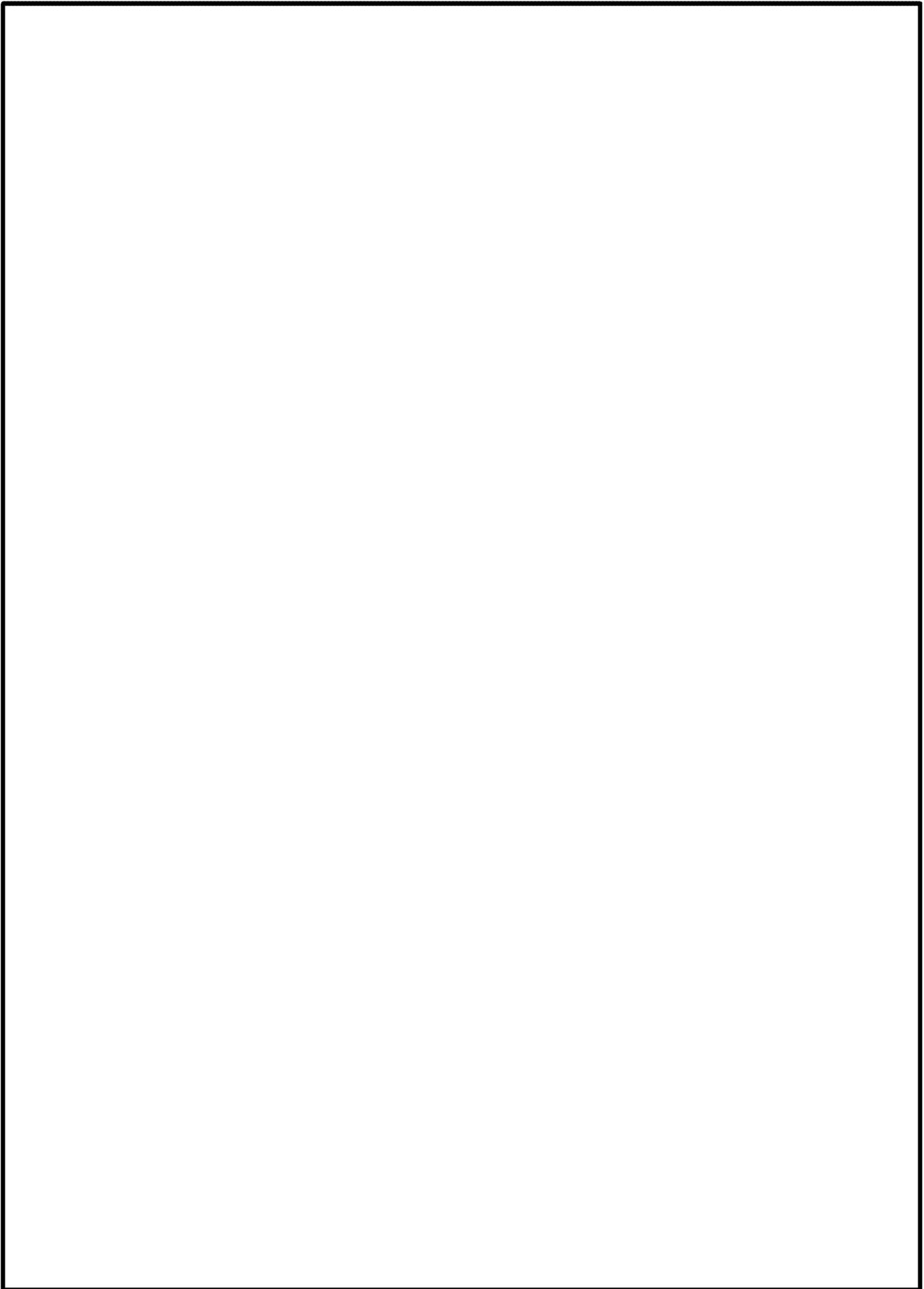
Texas	Gulf States Regional Center, LLC
Texas	Lone Star Regional Center, LLC
Texas	Luca Energy Fund Regional Center
Texas	McAllen EB-5 Regional Center
Texas	North Texas EB-5 Regional Center LLC
Texas	South West Biofuel RC, LLC (SWBRC)
Texas	Star of Texas Regional Center
Texas	Robstown Improvement Development Corporation EB-5 Regional Center
Texas	Texas Lone Star Enterprises, LLC
Texas	Texas Regional Fortune Center, LLC
Texas	Texas Urban Triangle Regional Center LLC
Texas	USA Now Regional Center LLC
Utah	Invest U.S. Regional Center
Utah	Mountain States Center for Foreign Investment (MSC)
Utah	Utah High Country Regional Center
Utah	Utah Invest Regional Center, LLC
Utah	Utah Regional Investment Fund, LLC
Vermont	Vermont Agency of Commerce and Community Development
Virginia	Capital Area Regional Center (CARC)
Virginia	DC Regional Center
Virginia	Encore Wash D.C. RC, LLC
Virginia	Virginia Center for Foreign Investment and Job Creation
Virginia	Westmill Mid-Atlantic Regional Center LLC
Washington	Aero Space Port International Group (ASPI Group) Regional Center
Washington	American Life Ventures Everett, Washington
Washington	American Life, Inc. - Lakewood Regional Center
Washington	American Life Inc. Regional Center - Seattle (Golden Rainbow & Gateway Freedom Fund
Washington	American Life Ventures, Tacoma, Washington
Washington	Dream Harbor Regional Center
Washington	Eastern Washington Regional Center
Washington	EB5 West LLC
Washington	Farm for America Regional Center
Washington	Path America KingCo, LLC
Washington	Path America Sonoco, LLC
Washington	Seattle Regional Center
Washington	Tri-Cities Investment District, LLC
Washington	Twin Development LLC Regional Center
Washington	Washington Regional Center
Washington	Washington State Regional Center
Washington	Western Washington Regional Center LLC
Washington	Whatcom Opportunities RC
Washington	WRC EB-5 Regional Center, Inc.
Washington	Yareton Investment Funds Regional Center

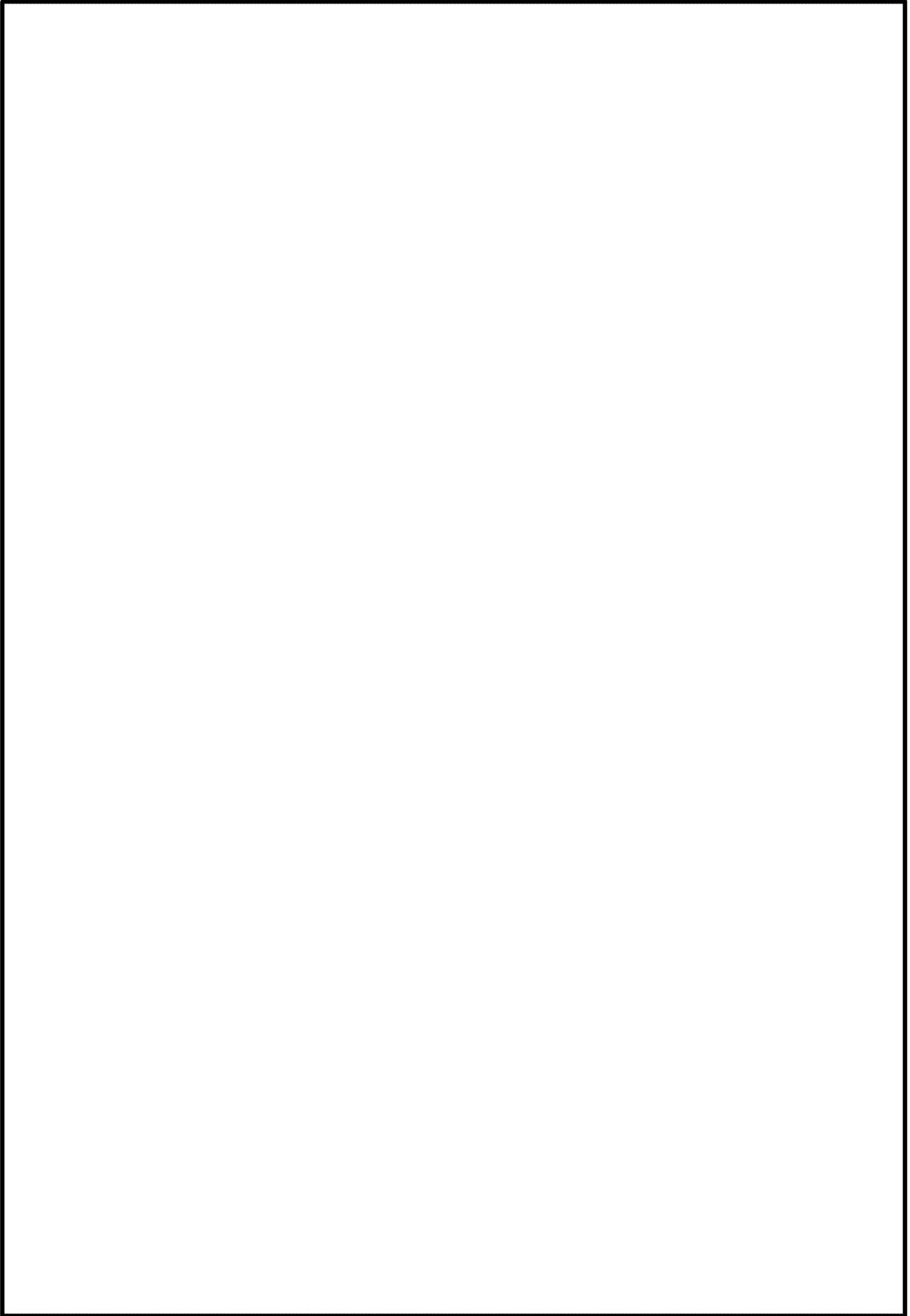
West Virginia	Mid Atlantic Regional EB5 Regional Center LLC
Wisconsin	Chicago Healthcare Fund Regional Center
Wisconsin	Ecornitech Regional Center
Wisconsin	Chicagoland Foreign Investment Group (CFIG) Regional Center
Wisconsin	Intercontinental Regional Center Trust of Chicago
Wisconsin	Metropolitan Milwaukee Association of Commerce (MMAC)
Wyoming	Invest U.S. Regional Center

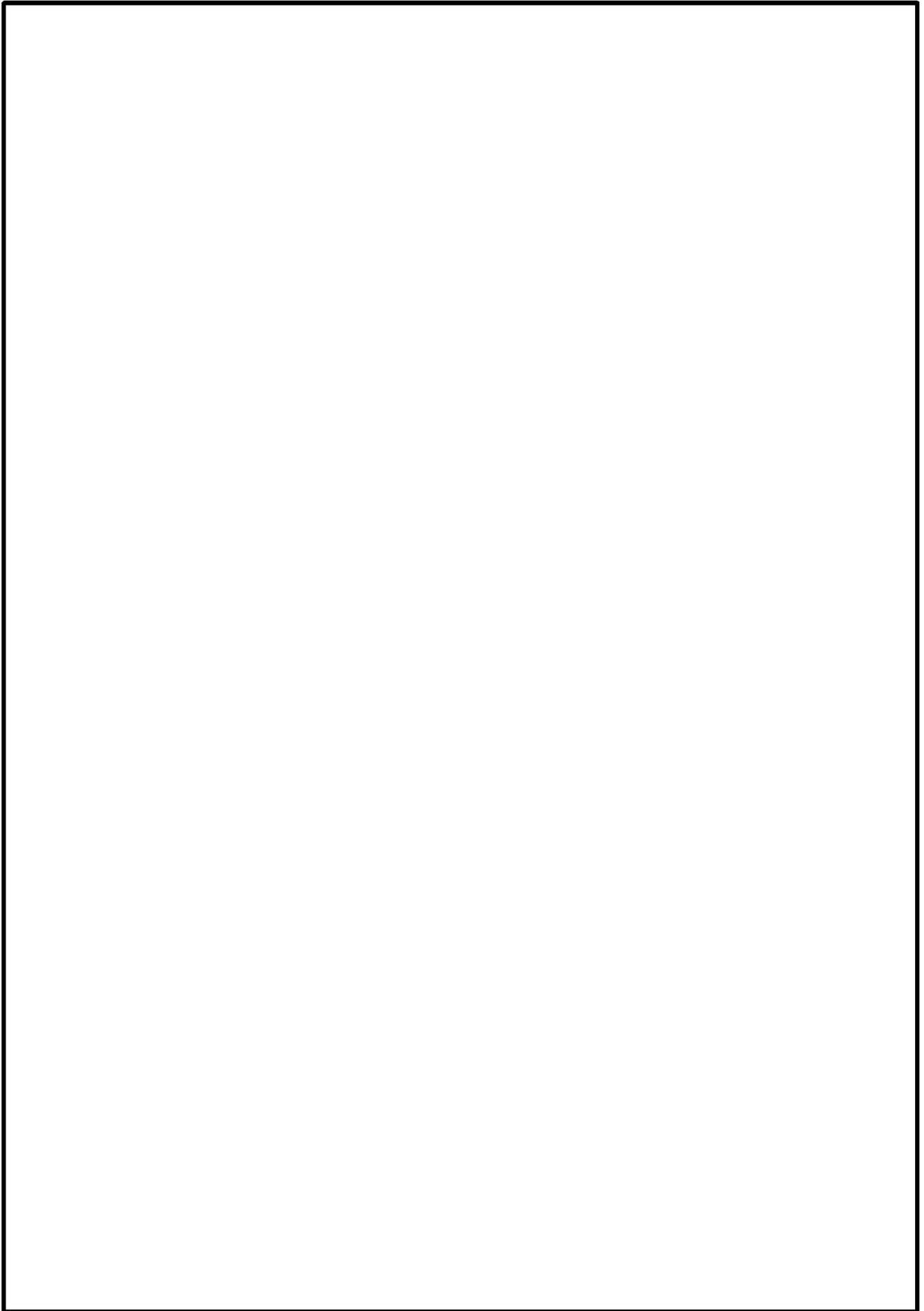
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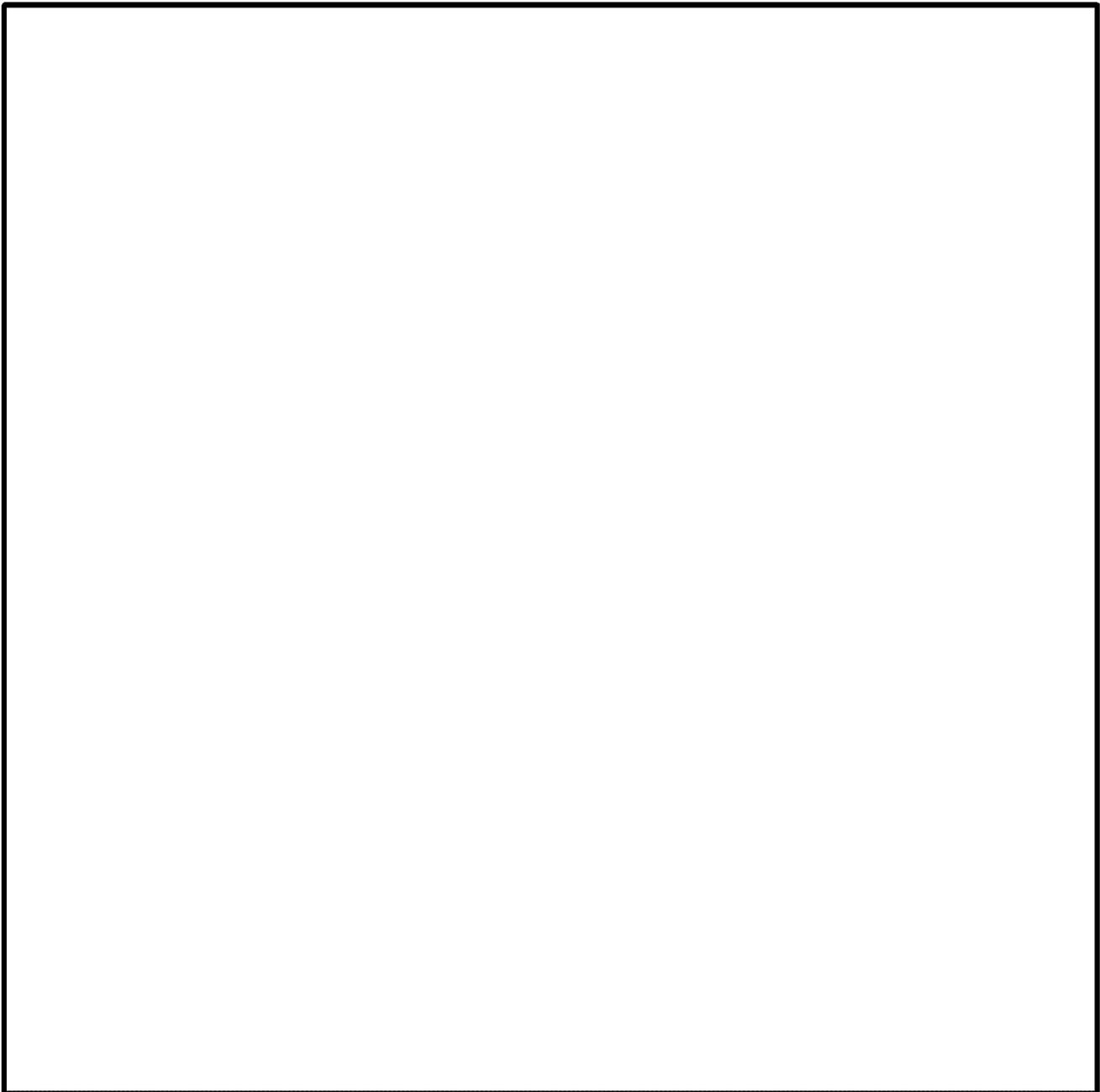
In general, performance of many EB-5 regional centers has been somewhat limited. However, a number of these centers have successfully gained direct foreign investment in the U.S. in substantial numbers. Several examples of strong competitors are:











*Section 3.7 Application Process*

To become an Investor in an Investor LLC, a Potential Investor will take the following steps:

- | <b>STEP</b> | <b>IMMIGRATION PROCESS</b>   |
|-------------|--|
| 1           | Investor researches website, is referred by an agent or receives marketing materials. Investor registers via website, email, fax or in writing.  |
| 2           | Investor receives description of project, wire transfer instructions, Subscription Agreement, Capital Escrow Agreement, Escrow Agreement for Service Fees and Subscriber Suitability Questionnaire.  |
| 3           | (b)(4) Investor signs and returns Escrow Agreement for Service Fees and wires <span style="border: 1px solid black; display: inline-block; width: 60px; height: 15px; vertical-align: middle;"></span> Service Fee to the Investor LLC Escrow Account. |

- 4 Investor completes, signs and returns Subscriber Suitability Questionnaire, Subscription Agreement and Capital Escrow Agreement. Investor receives Offering Memorandum and Operating Agreement for review. Investor signs and returns Operating Agreement.
- 5 Upon acceptance, Investor remits capital investment (minimum of \$500,000 USD) to the Investor LLC Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.
- 6 Investor submits all documents required for filing I-526 with USCIS to their Legal Representative.
- 7 Investor's Legal Representative prepares I-526 filing for USCIS.
- 8 I-526 Petition and Notification.
- 9 Investor elects adjustment of status or consular processing.
- 10 Upon approval of the I-526 Petition, (a) if the investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the investor must wait for notification from the National Visa Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.
- 11 Once issued conditional permanent resident status (I-526 approval) the clock starts ticking! Job creation (10 full-time positions per investor) must take place during the two year period following approval of the I-526. The investor may then file an I-829 Petition to request that conditional status be removed.
- 12 Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.

The application process detailed above is for general information and guidance only. Actual procedures will vary according to individual circumstances.

### *Section 3.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the investor plans to continue working or investing in his or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

### *Section 3.9 Project Selection Strategy*

All current and potential projects are reviewed to determine direct job creation, which are new, full-time employment positions developed within the Regional Center's geographical area. Each project is required to provide a detailed job creation forecast based on a business plan specifying its employment needs, which are carefully reviewed and evaluated by GLRC management prior to recommending the project to investors. Throughout the life of the project, these direct jobs will be closely monitored by GLRC management.

## **Section 4 • Investor Administration and Documentation**

### *Section 4.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify Potential Investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

### *Section 4.2 Investor Information Requirements*

- Master Documents
- Passport
- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature

- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates
- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

### *Section 4.3 Sources of Funds*

Sources of investor funds will be verified, with a comprehensive review of all documentation. GLRC requires that each investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the investment.

Types of investment sources that are to be thoroughly detailed by the investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment
  - Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the investor
  - Approximate annual cost of fringe benefits
  - Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
  - Earnings distribution to the investor that will be used to fund the investment

- **Net Proceeds from the Sale of a Business.** Again the information and documentation required is substantial, including:
  - Gross proceeds, as verified by the sales contract
  - Expenses associated with the sale
  - Net sale proceeds, including any deferred payments and a schedule of such payments
  - Investor's net proceeds from the sale
  - Total cash collected by the Investor from the sale including information on funds already expended or deposited elsewhere
  - Net amount to be used for the investment

In support of this information, the investor will be required to submit:

- Incorporation or other organizational documents of the business
  - Stock certificates (or other evidence of ownership)
  - Closing statement for the sale of the business
  - Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- **Net Proceeds from the Sale of Real Estate.** For this source, the investor must supply:
    - Street address and full description of property
    - Date acquired and initial investment plus any additional investments
    - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
    - Date property sold, net sales price, and net price after selling expenses
    - Name and address of purchaser, as well as type of entity
    - Amount used to pay mortgages/debt payments and other owners
    - Net amounts being used to fund the investment
  - **Net Proceeds from the Sale of Investments or Other Assets.** Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
  - **Employment earnings.** The investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net earnings for the past five years.
  - **Income or other Tax Refunds.** Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.
  - **Loans.** The investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category,

the investor must provide additional documentation, including:

- Copy of bank statement showing the deposit of the loan proceeds
  - Copy of promissory note and security agreement(s), as applicable
  - Copy of loan closing statement, if applicable
- **Gifts.** For gifts, in addition to providing the giver's information and type of entity, the investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the investor must provide:
    - Copy of bank statement showing the deposit of the proceeds from the gift
    - Copy of any relevant correspondence regarding the gift
  - **Inheritance.** For proceeds from inheritances, the investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the investment. Again, the primary source of the decedent's funds must be identified, in order to establish the legitimacy of the original source of funds. The investor must provide:
    - Copy of bank statement showing the deposit of inherited funds
    - Copy of legal or other relevant correspondence regarding the inheritance
  - **Retirement Funds.** If using retirement funds for the investment, the investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the investment. Documentation required includes:
    - Copy of statement of account showing the balance in the retirement account, if applicable
    - Copy of other relevant correspondence regarding the retirement account
  - **Support from a Parent/Relative/Guardian or Other Person.** In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the investor must provide information regarding any repayment obligation related to these support payments. For this category, the investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor's expense, to GLRC in both the original form of the document and with a certified translated copy in English. While it is the ultimate responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, GLRC will conduct an internal review to ensure that the investor is in fact qualified for the Program.

*Section 4.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount
Service Fees (in accordance with the terms as set forth in the Subscription Agreement and the Escrow Agreement for Service Fees)	<input type="text"/> (b)(4)
Capital Investment (in accordance with the terms set forth in the Subscription Agreement and the Capital Escrow Agreement)	\$500,000

**Section 5 • Legal and Risk Planning**

*Section 5.1 LLC Creation*

Each foreign investor will invest in a Limited Liability Company (the “Investor LLC”) which will be organized with the Secretary of State of Illinois pursuant to the Illinois Limited Liability Company Act. A limited liability company (LLC) is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

*Section 5.2 Due Diligence*

Under USCIS regulations the investor must demonstrate that their assets were gained in a lawful manner. The investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

GLRC requires an investor to reveal where and how they received their assets that are used for qualifying for the Program. This may be accomplished through certificates by the investor’s licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, GLRC will require proper documentation from the investor. The investor is required, at the investor’s expense, to furnish the documentation to the GLRC in both the original form of the document and with a certified translated copy in English.

**Financial Documents to Establish Source of Funds:** The investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

**Transfer of Funds:** The investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

**Financial Statements:** Financial information that evidences a net worth of at least \$1,000,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the investor and each qualifying household member of the investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least 6 months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the

applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

### *Section 5.3 Document Review and Verification Policy*

Financial source of funds document will be fully reviewed at several separate levels:

- The Escrow/Funds Transfer Agent
- The Investor LLC's Bank
- The Investor LLC's CPA firm
- The Investor LLC's Manager
- The Investor's U.S. Immigration Counsel

The initial review process will focus on the type of payment and the information provided by the potential investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the investor is incomplete or suspicious in any way, the investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the potential investor, the potential investor's subscription will be rejected and investment funds returned to the investor in accordance with the Capital Escrow Agreement and the Escrow Agreement for Service Fees, respectively.

### *Section 5.4 Investor Risks*

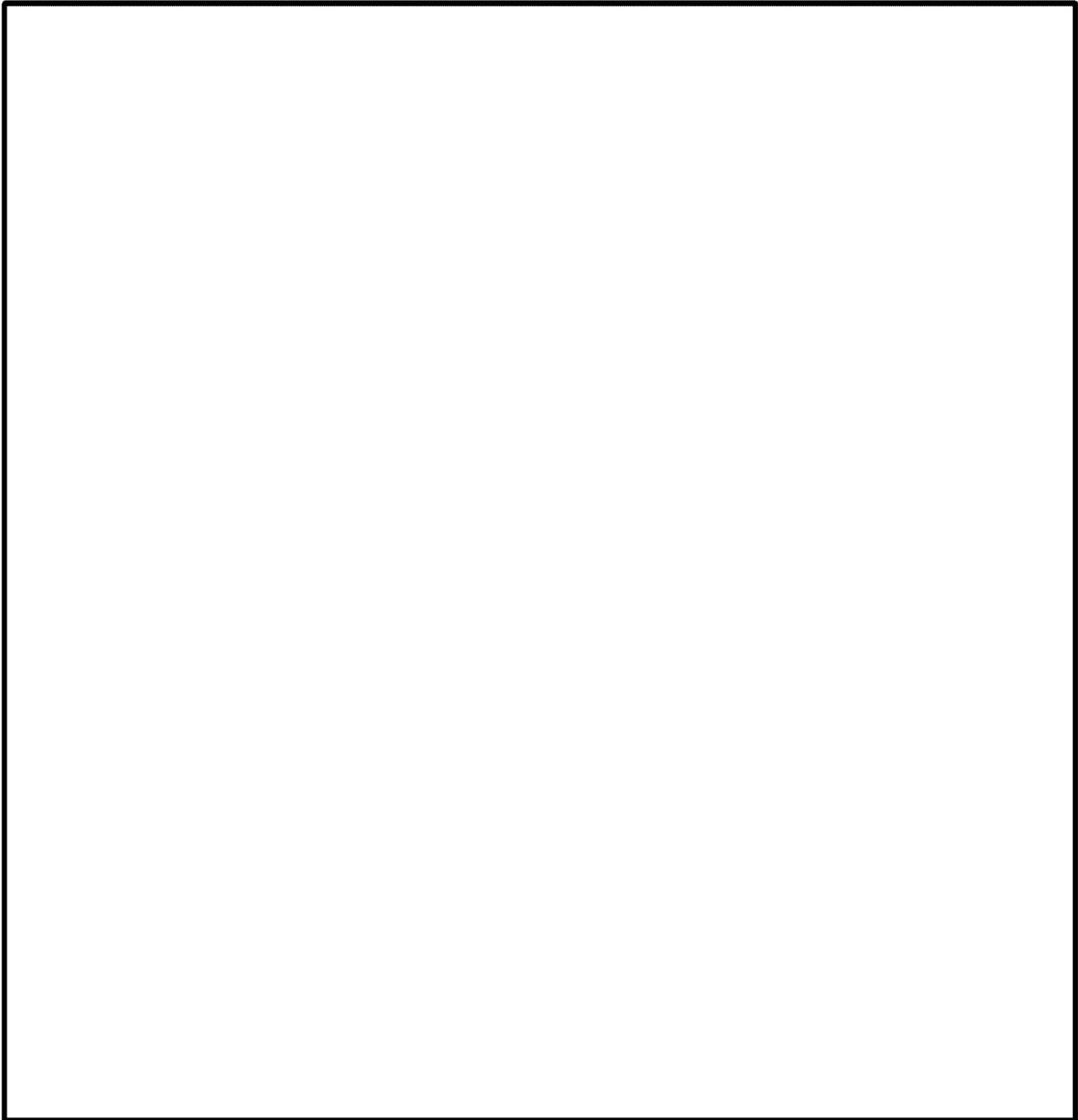
#### **Risk Factors**

An Investor LLC is subject to all the risks normally associated with a new enterprise. The investment is suitable only for those persons who have a continuing high amount of annual income and substantial net worth, who can afford to bear such risks and who have no need for liquidity from such investment. Each prospective investor should consider carefully the risk factors attendant to the purchase of Units, including, but not limited to, those discussed below, and should consult with his own legal, tax and financial advisors with respect thereto. The acquisition and ownership of the Units involve a high degree of risk. Prospective purchasers of

(b)(4) the Units should be aware of the risk factors related to the offering and should consider, among others, those factors set forth below:



(b)(4)



Immigration Risks

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of the GLRC or the Investor LLC. These include the Investor's past history and quotas established by the USCIS limiting the number of visas granted to investors in a single year. Although each Investor LLC has been structured so that each Member may qualify for permanent residency under the Program, no assurance can be given that each investor will obtain approval of his particular I-526 Petition.

Each prospective investor should consult competent immigration counsel to review the likelihood that the investor's Immigrant Petition will be granted.



**GREAT LAKES REGIONAL CENTER, LLC**

**BINDER 1**  
**REGIONAL CENTER APPLICATION**

## **Appendices**

*Appendix A – GLRC Articles of Organization, Operating Agreement and Tax ID*

Form **LLC-5.5**

Illinois  
**Limited Liability Company Act  
Articles of Organization**

**FILE # 04246136**

**Secretary of State Jesse White**  
Department of Business Services  
Limited Liability Division  
www.cyberdriveillinois.com

**Filing Fee: \$500**  
**Expedited Fee: \$100**  
**Approved By: REH**

**FILED**  
**JAN 23 2013**  
**Jesse White**  
**Secretary of State**

1. Limited Liability Company Name: GREAT LAKES REGIONAL CENTER, LLC

2. Address of Principal Place of Business where records of the company will be kept:  
20 N. WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606

3. Articles of Organization effective on the filing date.

4. Registered Agent's Name and Registered Office Address:

DAVID B. ANDERSON  
845 MOSELEY RD  
HIGHLAND PARK, IL 60035-4635 LAKE

5. Purpose for which the Limited Liability Company is organized:  
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. The Limited Liability Company has management vested in the member(s).

ANDERSON ,DAVID B.  
845 MOSELEY ROAD  
HIGHLAND PARK, IL 60035

8. **Name and Address of Organizer**

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: JANUARY 23, 2013

DAVID B. ANDERSON  
845 MOSELEY ROAD  
HIGHLAND PARK, IL 60035

Date of this notice: 01-30-2013

(b)(3)

Employer Identification Number:

Form: SS-4

Number of this notice: CP 575 G

GREAT LAKES REGIONAL CENTER LLC  
DAVID B ANDERSON SOLE MBR  
20 N WACKER DR STE 2200  
CHICAGO, IL 60606

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

(b)(3)

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN . This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at [www.irs.gov](http://www.irs.gov). If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is GREA. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Keep this part for your records.

CP 575 G (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 G

9999999999

(b)(3)

Your Telephone Number Best Time to Call ( ) -

DATE OF THIS NOTICE: 01-30-2013 EMPLOYER IDENTIFICATION NUMBER: FORM: SS-4 NOBOD



INTERNAL REVENUE SERVICE CINCINNATI OH 45999-0023

GREAT LAKES REGIONAL CENTER LLC DAVID B ANDERSON SOLE MBR 20 N WACKER DR STE 2200 CHICAGO, IL 60606

**OPERATING AGREEMENT OF  
GREAT LAKES REGIONAL CENTER, LLC**

THIS OPERATING AGREEMENT (hereinafter the "Agreement") is made as of the 23rd day of January, 2013, by David B. Anderson ("Class A Members") and such other parties who may sign this Agreement as Class B Members ("Class B Members") and Class C Members ("Class C Members") (the Class A Members, Class B Members, and Class C Members are hereinafter collectively referred to as the "Members").

**WITNESSETH**

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties hereto agree as follows:

**1 ARTICLE 1 – FORMATION OF THE COMPANY**

1.1 Formation. The Company was formed upon the filing with the Secretary of State of Illinois of the Articles of Organization of the Company pursuant to the provisions of the Illinois Limited Liability Company Act (the "Act"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the rights and obligations of the Members and the administration and termination of the Company shall be governed by this Agreement, the Articles of Organization and the Act; provided, however, that to the extent this Agreement is in conflict with the default provisions of the Act, this Agreement, to the extent permitted by the Act, shall control. David B. Anderson, as the organizer of the Company (the "Organizer"), formed the Company on behalf of the Members under Illinois law by filing the Articles of Organization on behalf of the Members, and has identified the Members initially executing this Agreement as the initial members of the Company in accordance with the Act. [REDACTED]

(b)(4)

[REDACTED] The Members shall execute and cause to be recorded such additional documents as may be required for a limited liability company pursuant to the laws of the State of Illinois. The Company is member-managed and the Managing Member is David B. Anderson

1.2 Name. The name of the Company may be changed from time to time by amendment of the Articles of Organization. The Company may transact business under an assumed name by filing an assumed name certificate in the manner prescribed by applicable law.

1.3 Registered Office and Registered Agent. The Company's registered office and registered agent shall be as set forth in the Articles of Organization or as otherwise provided in the most current annual report filed with the Illinois Secretary of State. The Company may change its registered agent or registered office as the Managing Member may from time to time deem necessary or advisable.

1.4 Principal Place of Business. The principal place of business of the Company shall be at 20 N. Wacker Drive, Suite 2200, Chicago, IL 60606. The Company may locate its place(s) of business at any other place or places as the Managing Member may from time to time deem necessary or advisable.

1.5 Term. Except as otherwise provided in the Company's Articles of Organization, the duration of the Company shall be perpetual, unless the Company is earlier dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

1/23/12

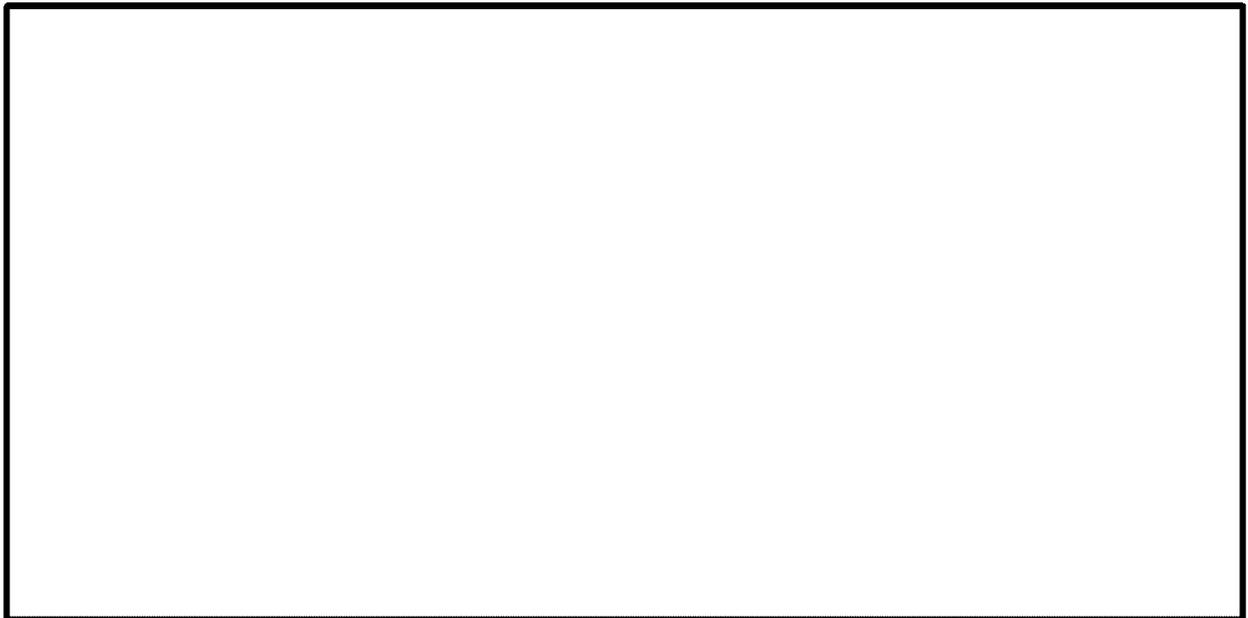
1.6 Purposes. The business and purpose of the Company is to transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. The Company may also, in the discretion of the Managing Member, engage in any other business or lawful activity permitted under the laws of the State of Illinois.

1.7 Powers. The Company shall have and exercise any and all powers necessary, incidental, or desirable to accomplish the foregoing purposes and business, to the extent the same may be legally exercised by limited liability companies under the Act. The Company shall carry out its business and exercise its powers pursuant to the arrangements set forth in the Articles of Organization and this Agreement.

## 2 ARTICLE 2 – CLASSES, MEMBERS AND MEMBERSHIP UNITS

2.1

(b)(4)



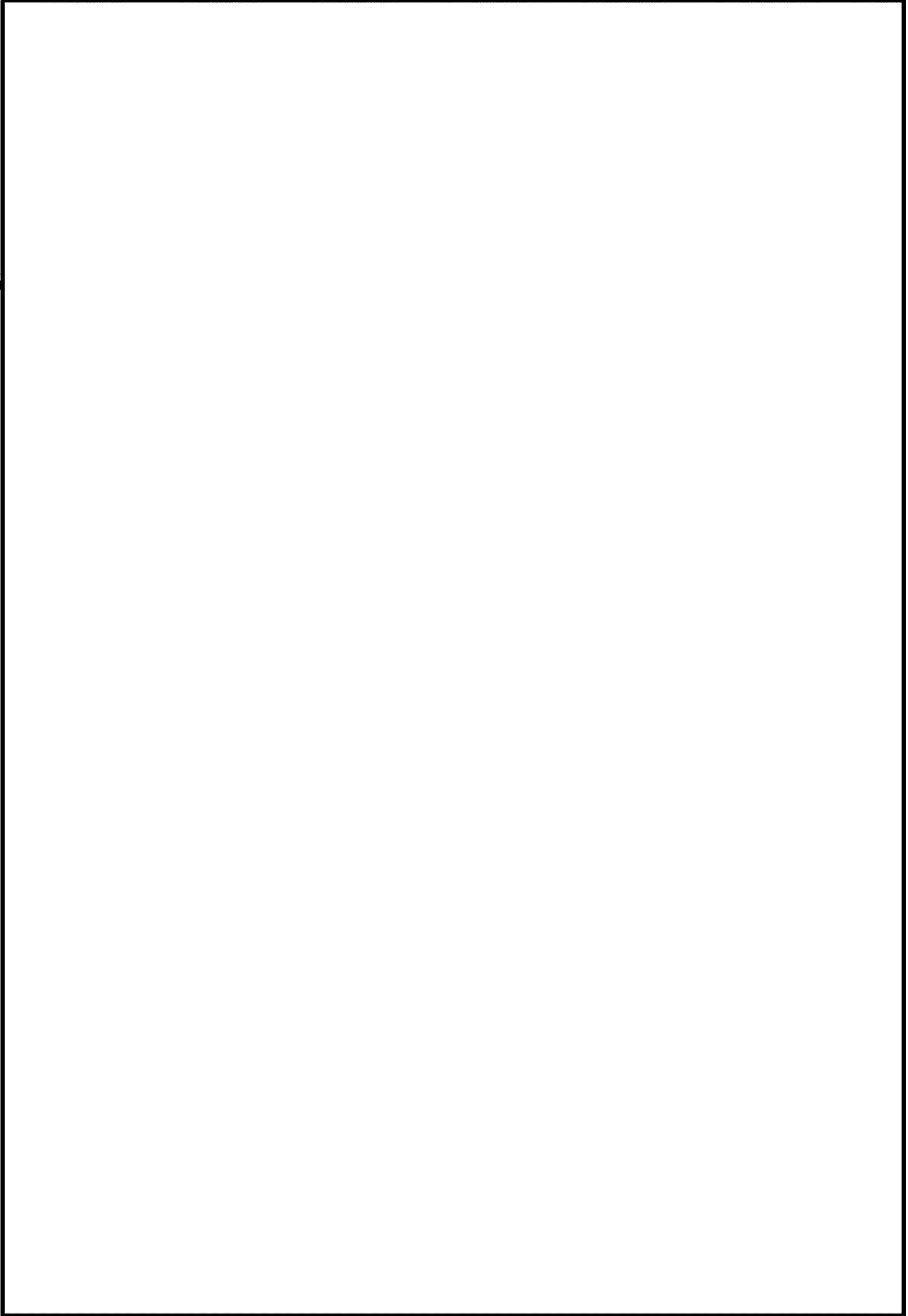
2.2 Names and Addresses of Members. The names and addresses of the Members initially owning Class A Membership Units are set forth in Exhibit A, attached hereto and made a part hereof. Such Exhibit A shall be amended by the Company from time to time as of the effective date of any transfer or subsequent issuance of Membership Units permitted by this Agreement, or as the Members' Membership Units may otherwise be adjusted pursuant to this Agreement.

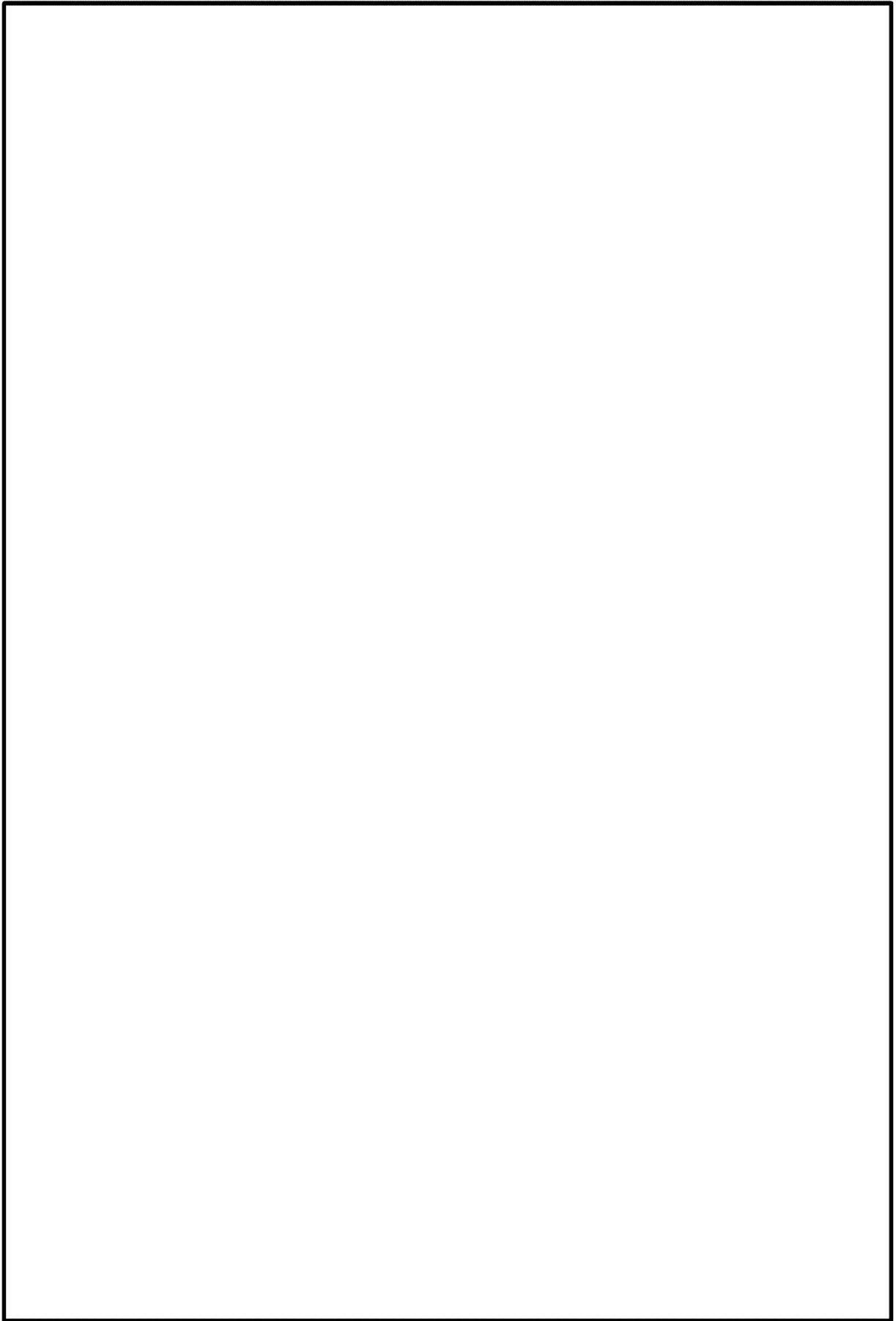
2.3 Admission of Members.

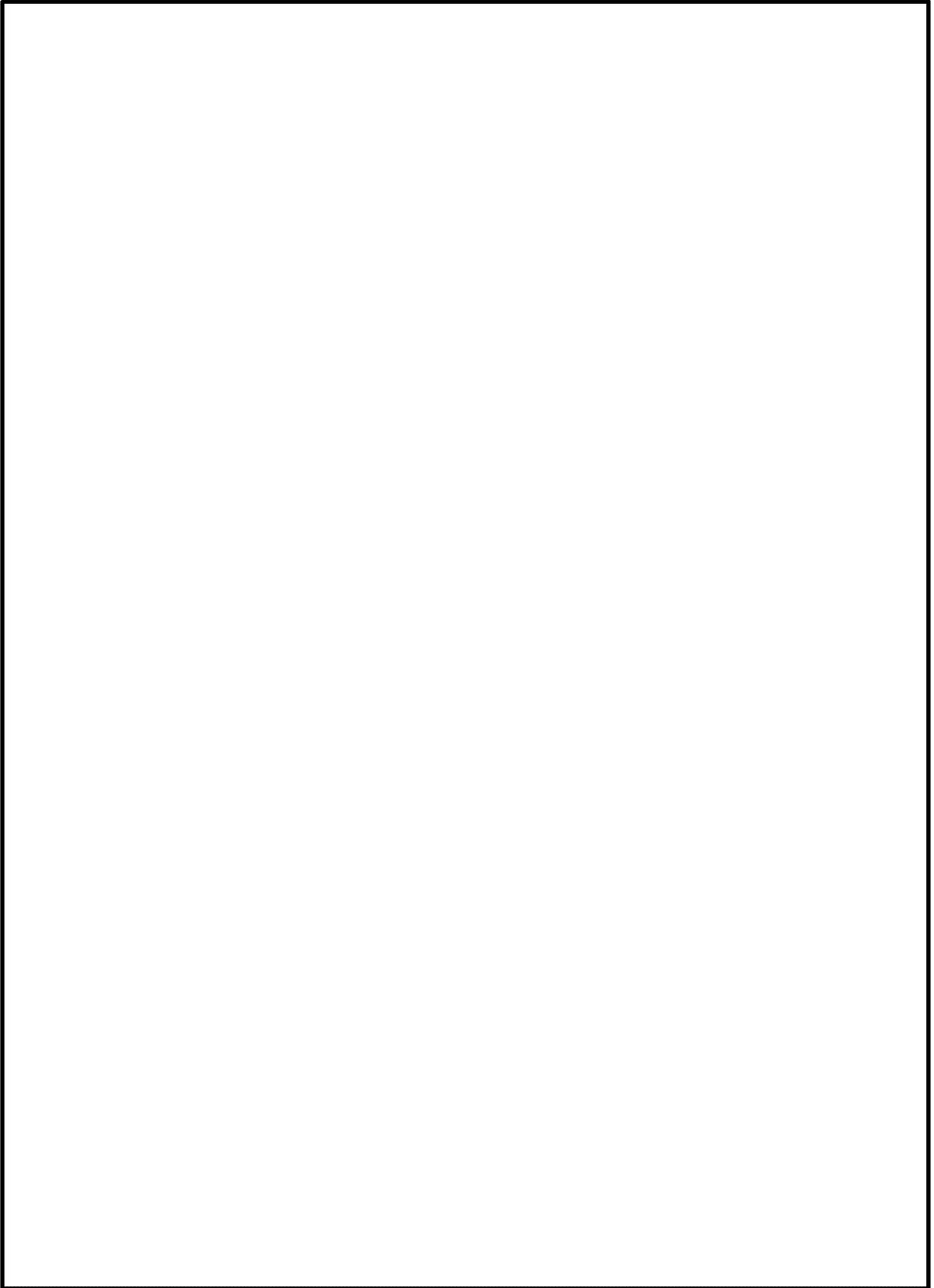
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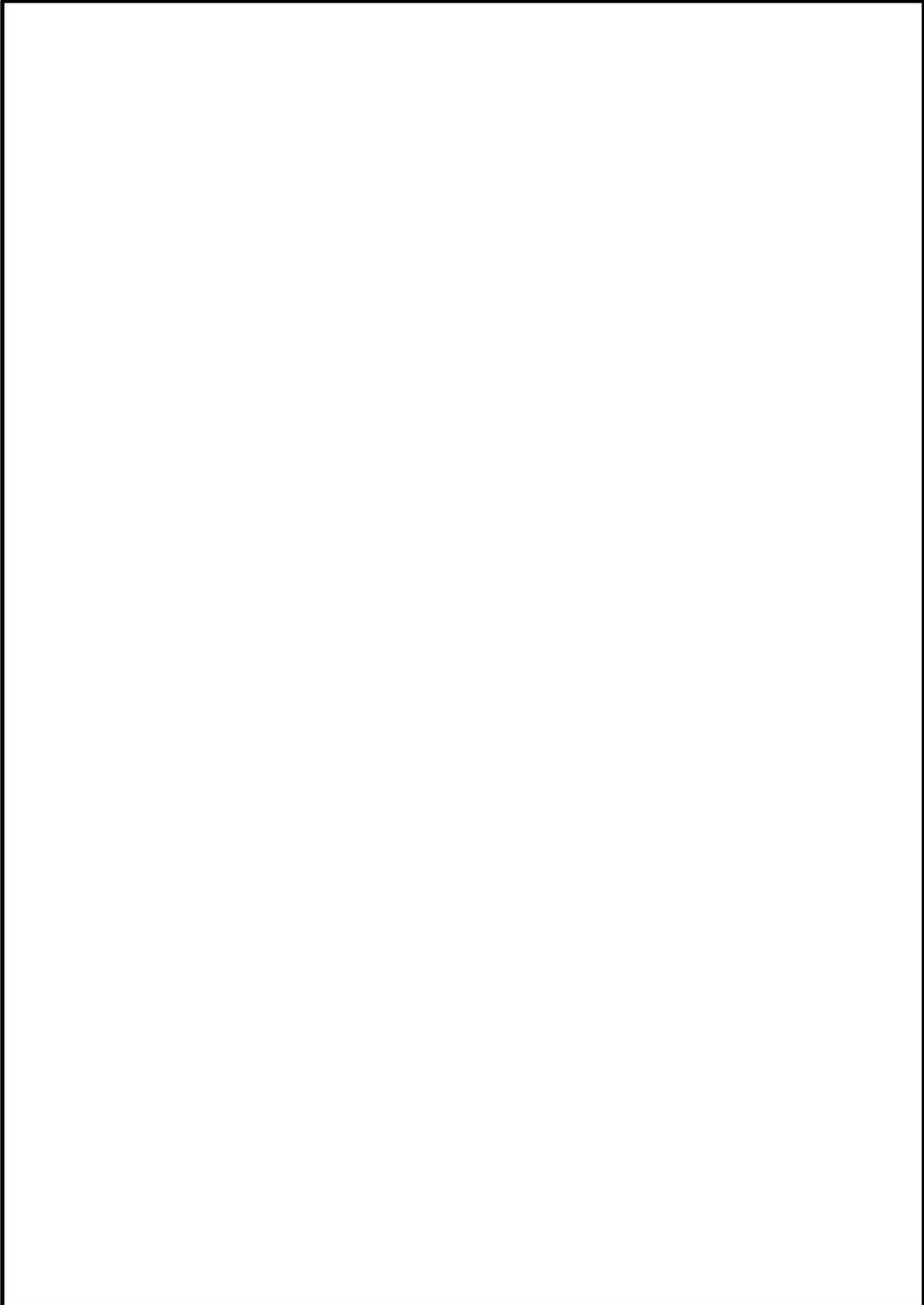


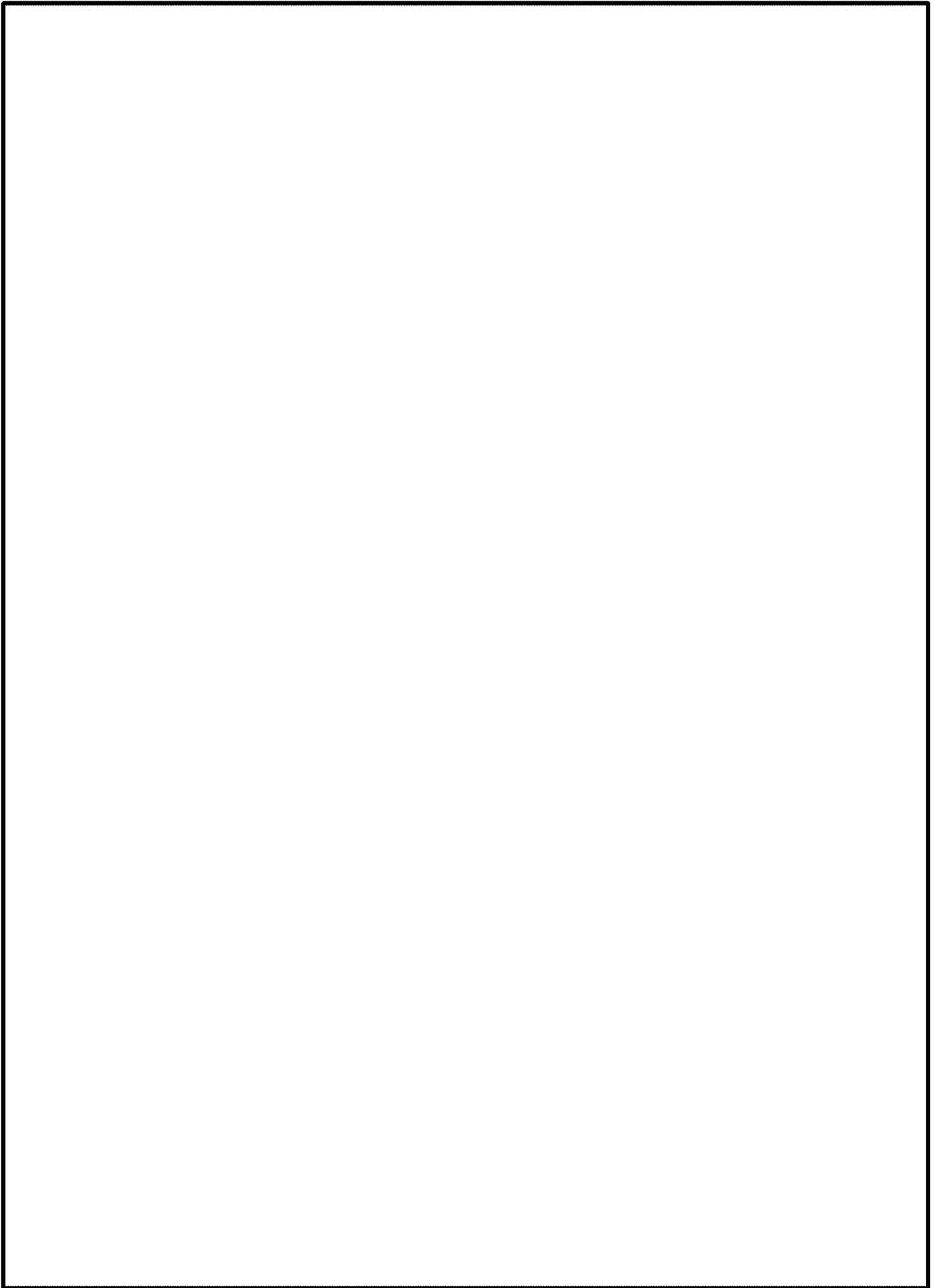
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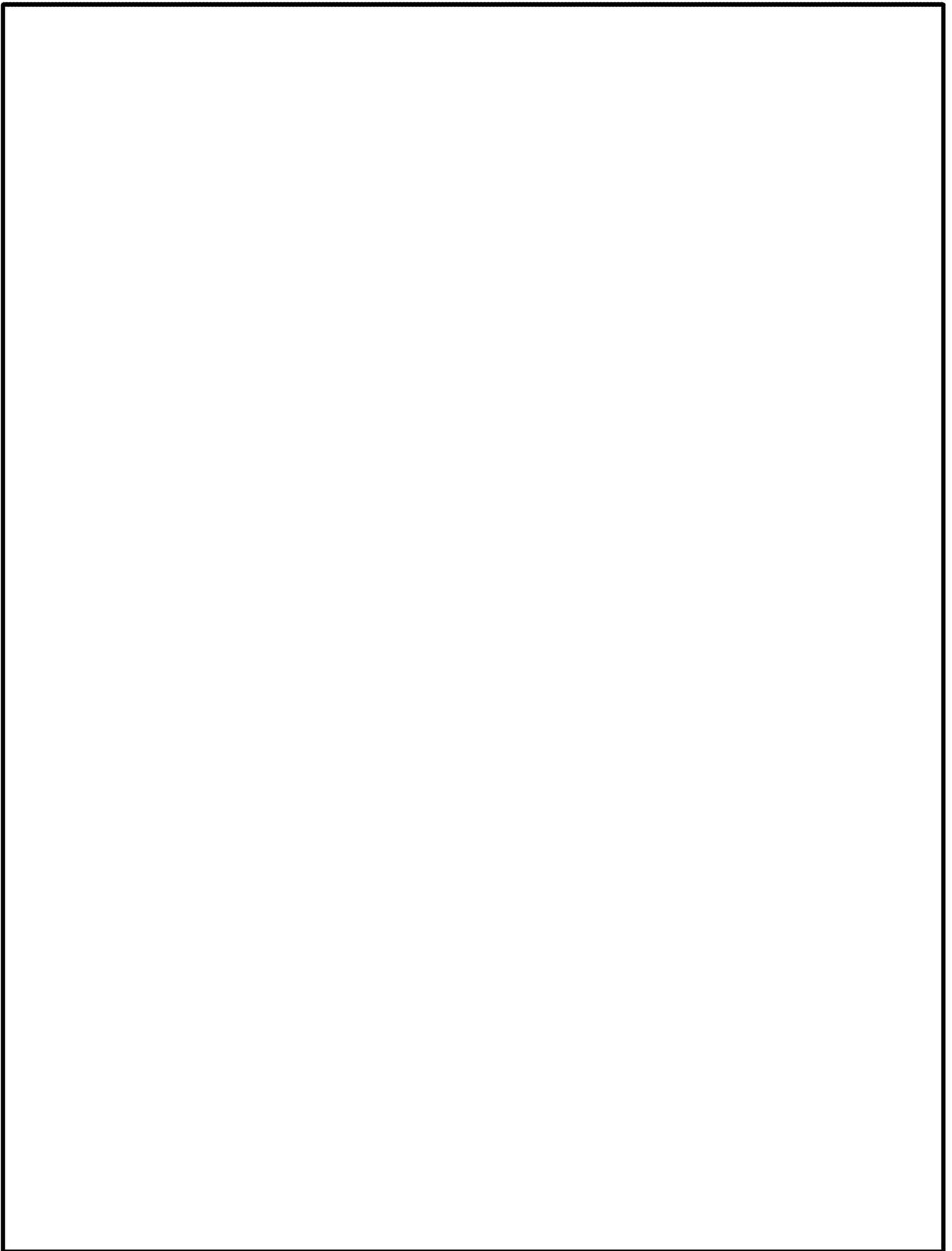


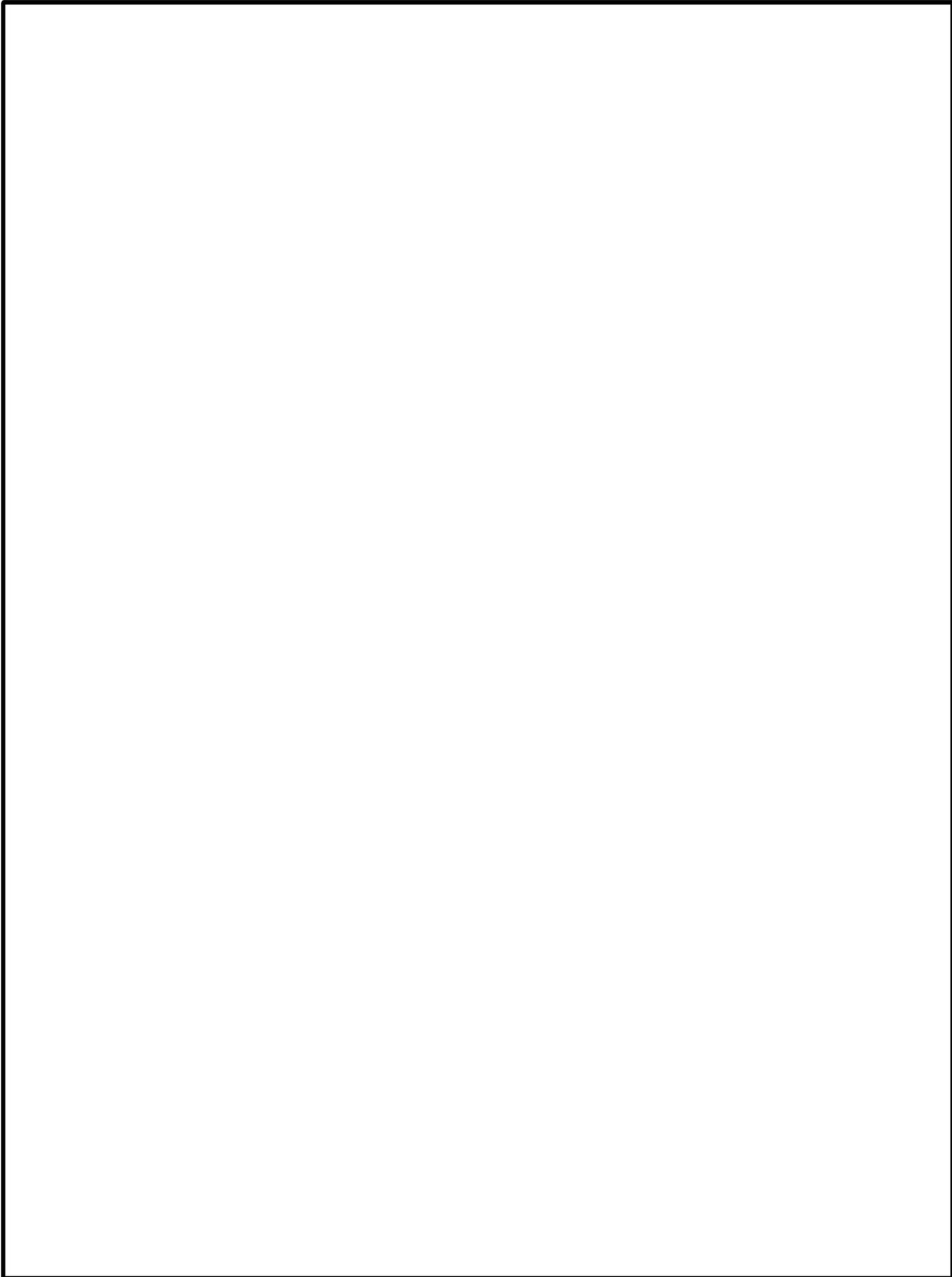


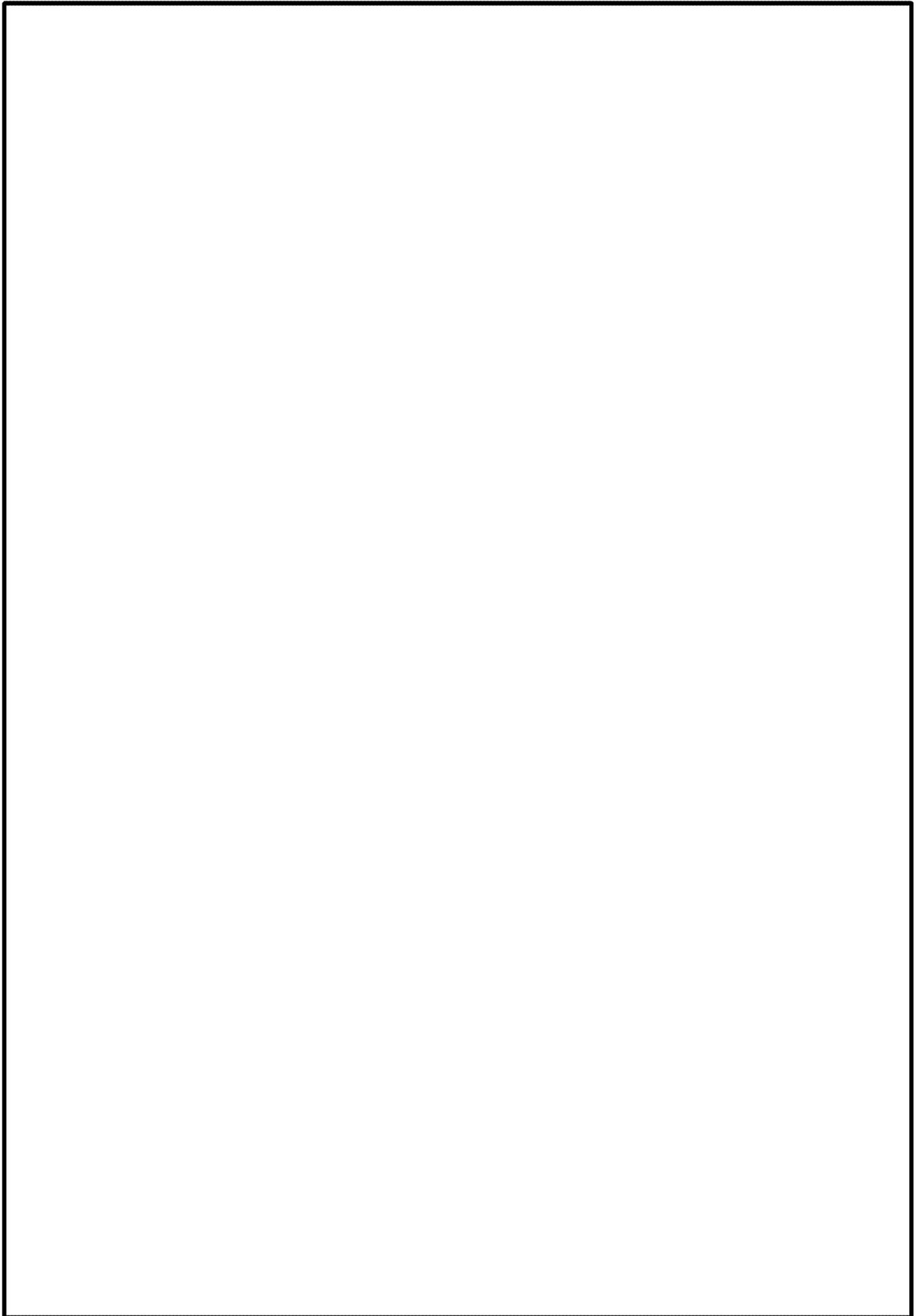


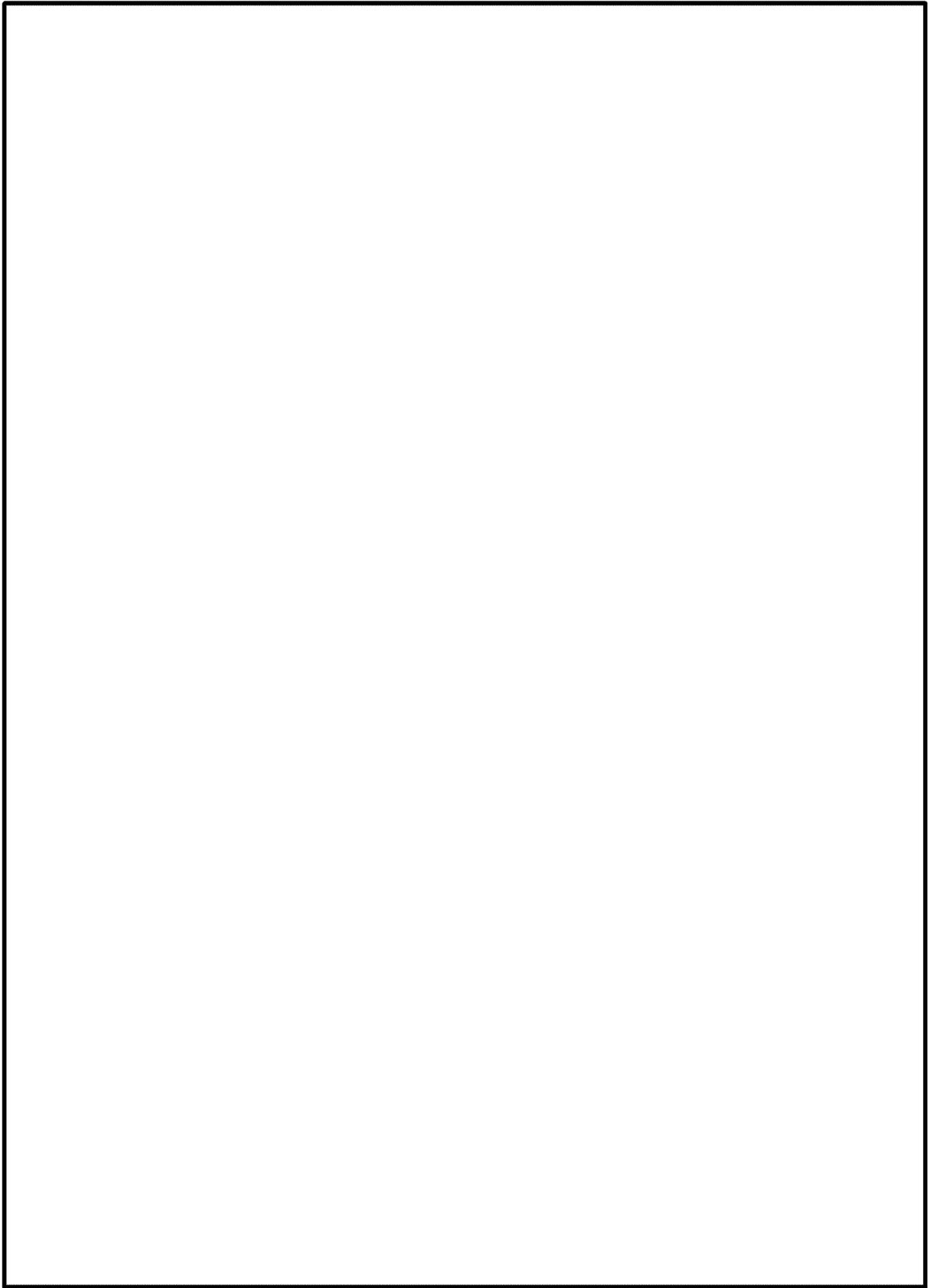
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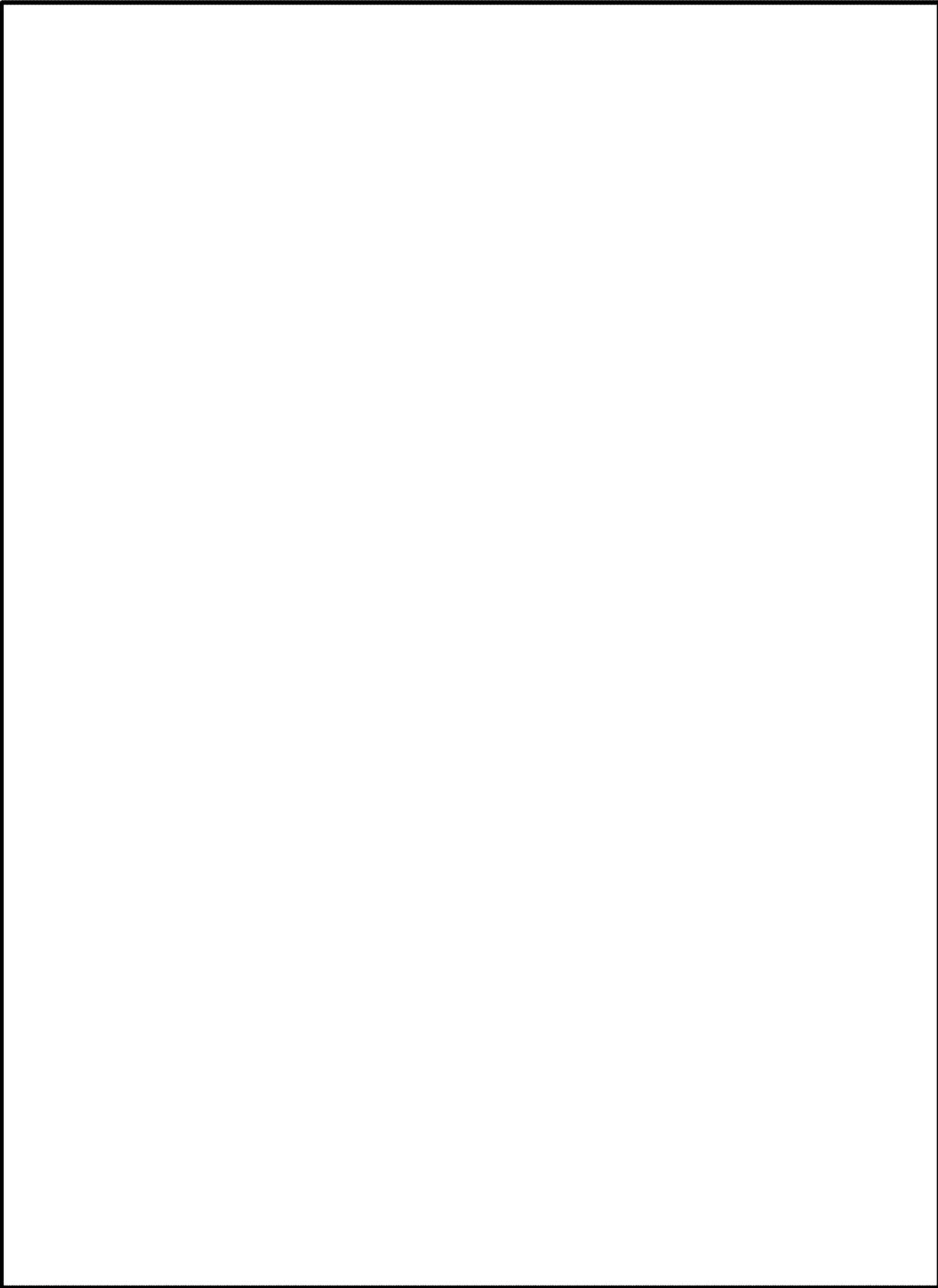




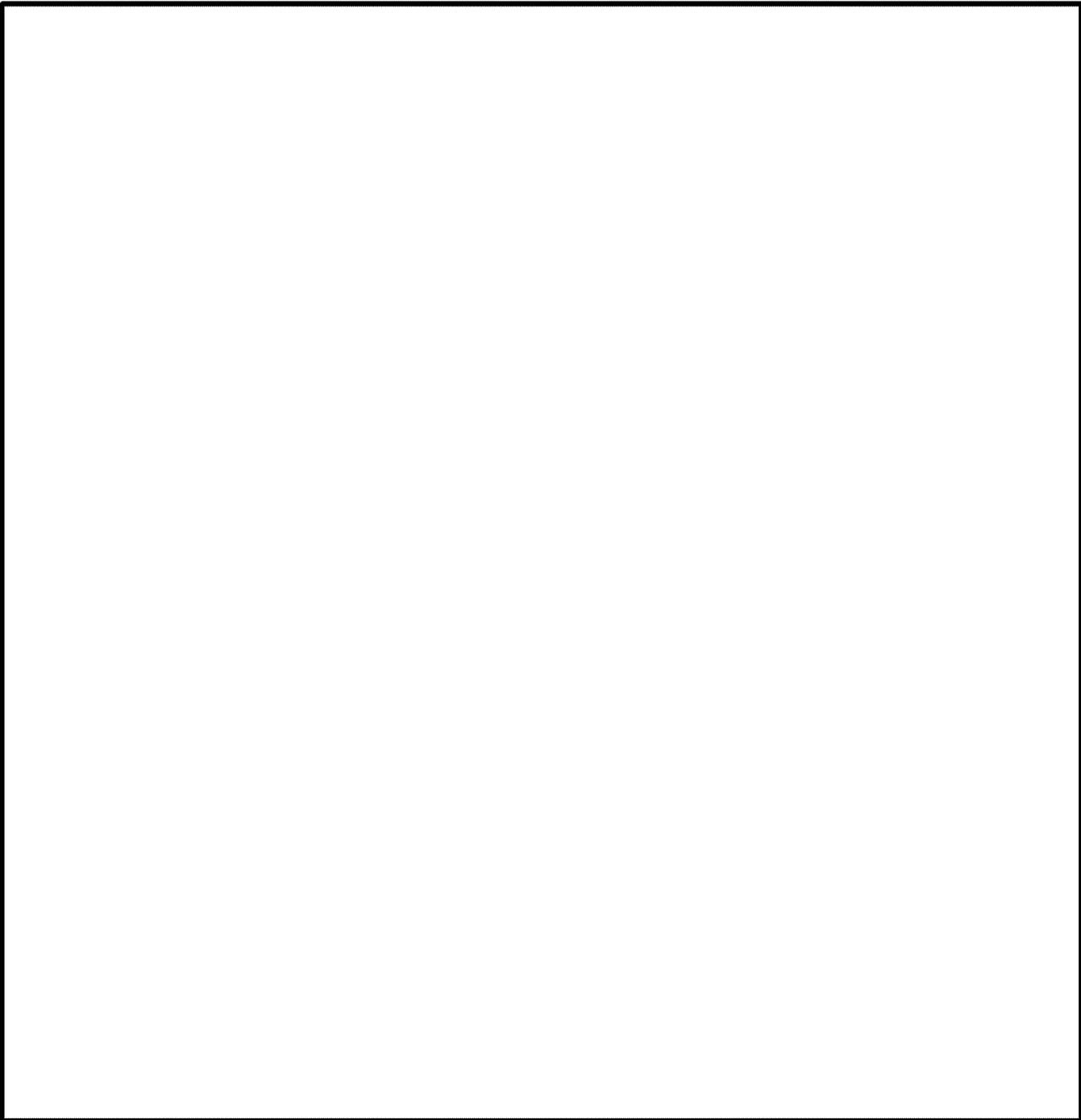








(b)(4)



**17 ARTICLE 17 – ENTIRE AGREEMENT**

This Agreement constitutes the entire understanding between the Members and supersedes any prior understandings and/or written or oral agreements between them respecting the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Members hereto relating to the subject matter of this Agreement which are not fully expressed herein.

(b)(4)



**19 ARTICLE 19 – GOVERNING LAW**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois.

**20 ARTICLE 20 – CAPTIONS**

Any titles or captions contained in this Agreement are for convenience only, and shall not be deemed a part of the text of this Agreement.

**21 ARTICLE 21 – INTERPRETATION**

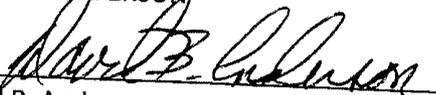
(b)(4) When the context in which the words used in this Agreement indicate that such is the intent, words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.

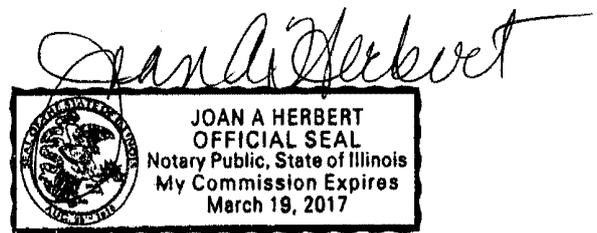


WITNESS the following signatures and seals:

Class A Members

DAVID B. ANDERSON

  
David B. Anderson



**EXHIBIT A TO  
OPERATING AGREEMENT OF  
GREAT LAKES REGIONAL CENTER, LLC**

**Class A Members:**

Member Name	Address	Membership Interests
David B. Anderson	(b)(6)	(b)(4)

**Class B Members:**

Member Name	Address	Membership Interests
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**Class C Members:**

Member Name	Address	Membership Interests
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*Appendix B – Deriving SAM Multiplier Models Using IMPLAN*

## **Deriving SAM Multiplier Models Using IMPLAN**

**Gregory S. Alward**  
**USDA Forest Service, Fort Collins CO**  
**Scott Lindall**  
**MIG, Inc., Stillwater, MN**

Presented at the 1996 National IMPLAN Users Conference  
Minneapolis, MN  
August 15-17, 1996

# Deriving SAM Multiplier Models Using IMPLAN

Gregory S. Alward  
 USDA Forest Service, Fort Collins CO  
 Scott Lindall  
 MIG, Inc., Stillwater, MN

## Abstract

*Multiplier models based upon input-output and social accounts (SAMs) derived using IMPLAN are described. Modeling induced household effects using IMPLAN's traditional Type III formulation is compared with a classic Type II model using SAM accounts. A shortcoming in the SAM accounts is noted that restricts the evaluation of income distribution effects..*

## Input-Output and Social Accounts Constructed with IMPLAN

Regional input-output and social accounts are constructed with the IMPLAN system utilizing various data, estimation methods and algorithms. These accounts conform to specific conventions that determine the types of multiplier models that can be derived from them. This section describes the various accounts that can be developed using IMPLAN.

Figure 1 illustrates the standard accounting system for the input-output accounts of IMPLAN, utilizing the detailed "industry and commodity" format (the Appendix describes the specific contents of the sub-matrices for these accounts). The input-output accounts, while very detailed in the treatment of the production and consumption components of an economy, do lack completeness in the area of nominal transactions occurring between institutions (e.g., transfers, taxes, savings). This shortcoming is addressed by expanding the accounting system as is illustrated in Figure 2, the social accounting format of IMPLAN. The input-

**Figure 1. Input-Output Accounting Framework, Industry and Commodity Format**

	Industries	Commodities	Institutions	Trade	Total
Industries		Domestic Commodity Make		Commodity Exports	Industry Output
Commodities	Domestic Commodity Use		Domestic Commodity Consumption		Domestic Commodity Output
Factors	Value Added				Value Added
Institutions		Domestic Commodity Sales		Commodity Exports	Institutional Receipts from Commodity Sales
Trade	Commodity Imports		Commodity Imports	Transshipments	Commodity Imports
Total	Industry Outlay	Domestic Commodity Output	Institutional Outlay for Commodities	Commodity Exports	

output accounts are augmented with two principal sub-matrices (shaded in the Figure), one for factor disbursements and another for inter-institutional transfers. This has the effect, along with concordant accounting of factor and institutional trade, of "completing the income cycle." Given these additions, it is possible to trace income flows from income generation, through factor receipts and their disbursement to receiving institutions, observe inter-institutional transactions to account for all sources of institutional

**Figure 2. Social Accounting Framework, Industry and Commodity Format**

	Industries	Commodities	Factors	Institutions	Trade	Total
Industries		Domestic Commodity Make			Commodity Exports	Industry Output
Commodities	Domestic Commodity Use			Domestic Commodity Consumption		Domestic Commodity Output
Factors	Value Added					Value Added
Institutions		Domestic Commodity Sales	Factor Disbursements	Inter-Institutional Transfers	Commodity and Factor Services Exports	Institutional Receipts
Trade	Commodity Imports		Factor Services Imports	Commodity Imports and Remittances	Transshipments	Commodity, Factor Services Imports, Remittances
Total	Industry Outlay	Domestic Commodity Output	Factor Outlay	Institutional Outlay	Commodity, Factor Services Exports	

income, and relate that income to consumption by institutions. In sum, the social accounting format captures all current account transactions for a regional economy unlike input-output accounts which focus primarily on the production and consumption components.

Input-output accounts can be derived from the accounts shown in Figure 2 by applying assumptions about inter-industry transaction behavior. From the accounts shown in Figure 2, define two matrices of industry (and institution) commodity sales:

- (1)  $M$  the “make” of commodities for domestic consumption, and
- (2)  $J$  the “make” of commodities for export,  
 where both matrices have dimension  $(m + n) \times c$  and  
 $m$  is the number of industries,  
 $n$  is the of institutions, and  
 $c$  is the number of commodities.

Each of the matrices  $M$  and  $J$  can be thought of as partitioned matrices, such as

$$(4) \quad M = \begin{bmatrix} M_1 \\ M_2 \end{bmatrix} \quad \text{and}$$

$$(5) \quad J = \begin{bmatrix} J_1 \\ J_2 \end{bmatrix}$$

where subscript 1 relates to industries (*i.e.*, sales of commodities by industries) and subscript 2 refers to institutions (*i.e.*, sales of commodities by institutions). The accounting balance for total commodity output  $q$  is:

$$(6) \quad \begin{bmatrix} q_1 \\ q_2 \end{bmatrix} = i \begin{bmatrix} M_1 \\ M_2 \end{bmatrix} + i \begin{bmatrix} J_1 \\ J_2 \end{bmatrix}$$

where  $i$  is a summation vector.

A market-shares matrix  $D$  can be derived for domestic consumption by post-multiplying the make matrix by a diagonal matrix of the reciprocals of total commodity output  $\hat{q}^{-1}$ :

$$(7) \begin{bmatrix} D_1 \\ D_2 \end{bmatrix} = \begin{bmatrix} M_1 \\ M_2 \end{bmatrix} \hat{q}^{-1}$$

Similarly, a market-shares matrix  $E$  for exports can be derived:

$$(8) \begin{bmatrix} E_1 \\ E_2 \end{bmatrix} = \begin{bmatrix} J_1 \\ J_2 \end{bmatrix} \hat{q}^{-1}$$

Applying the market-share hypothesis to derive inter-industry transactions by pre-multiplying the domestic use matrix  $U$  by the domestic market-shares matrix  $D$  by the produces a domestic inter-industry transactions matrix  $X$  :

$$(9) \begin{bmatrix} X_1 \\ X_2 \end{bmatrix} = \begin{bmatrix} D_1 \\ D_2 \end{bmatrix} U$$

Again, the subscript 1 refers to industries and subscript 2 refers to institutions.

Figure 3 illustrates the social accounting system after the input-output components have been combined to describe inter-industry transactions. From equation (9) above, sub-matrix  $X_1$  represents the domestic inter-industry transactions matrix and sub-matrix  $X_2$  the institutional sales to industries transactions matrix. Again using the market-share hypothesis to estimate institutional consumption transactions, a domestic institutional transactions matrix  $C$  can be derived by pre-multiplying the domestic commodity consumption matrix (final demands)  $F$  by the domestic market-shares matrix  $D$  :

$$(10) \begin{bmatrix} C_1 \\ C_2 \end{bmatrix} = \begin{bmatrix} D_1 \\ D_2 \end{bmatrix} F$$

From equation (10) above, sub-matrix  $C_1$  refers to the domestic institutional consumption transactions matrix (final demands) and sub-matrix  $C_2$  refers to institutional sales of commodities to institutions (transactions that must be inserted into the inter-institutional transfers matrix).

**Figure 3. Social Accounting Framework, Inter-industry Format**

	Industries	Factors	Institutions	Trade	Total
Industries	Domestic Inter-industry Transactions $X_1$		Domestic Consumption $C_1$	Exports of Industry Output $G_1$	Industry Output
Factors	Value Added				Value Added
Institutions	Institutional Sales to Industries $X_2$	Factor Disbursements	Inter-Institutional Commodity Sales $C_2$ and Transfers	Institutional Exports $G_2$ and Factor Services	Institutional Receipts
Trade	Commodity Imports	Factor Services Imports	Commodity Imports and Remittances	Transshipments	Commodity, Factor Services Imports, Remittances
Total	Industry Outlay	Factor Outlay	Institutional Outlay	Industry, Factor Services Exports	

Finally, again using the market-share hypothesis, an export transactions matrix  $G$  containing industrial (and institutional) exports can be derived by pre-multiplying the export matrix  $J$  by the export market-shares matrix  $E$  :

$$(11) \begin{bmatrix} G_1 \\ G_2 \end{bmatrix} = \begin{bmatrix} E_1 \\ E_2 \end{bmatrix} J$$

From equation (11) above, sub-matrix  $G_1$  refers to the industrial export transactions matrix and sub-matrix  $G_2$  refers to institutional exports of commodities.

### Modeling the Induced Effect with IMPLAN I-O Accounts

While the inter-industry part of IMPLAN models is quite traditional and widely accepted, the component of the multipliers dealing with induced re-spending of household income is less so. This section describes the formulation of the Type III multiplier model in the context of IMPLAN's traditional accounting structure comparing it to a Type II formulation.

Following standard derivation, the I-O balance equation based on the accounting framework in Figure 3 is:

$$(12) x = X + y \text{ where}$$

$m$  = the number of domestic industries,

$x$  is a  $(m + 1) \times 1$  vector of total output, including household output,

$X$  is the  $(m + 1) \times (m + 1)$  inter-industry transactions matrix (as in (9) above), and also including a household row and column, and

$y$  is final demand including exports but less household demands, reduced to a vector.

Assuming inputs are proportional to total outlays, a direct input requirements matrix  $A$  can be derived:

$$(13) A = X \hat{x}^{-1} \text{ such that}$$

$$(14) X = Ax$$

By substitution, the standard behavioral model for inter-industrial multiplier analysis can be written as:

$$(15) x = Ax + y \text{ or, solving for } x \text{ as a function of } y,$$

$$(16) x = (I - A)^{-1} y$$

**Figure 4. I-O Model Framework, Inter-industry Format**

	Industries	Households	Other Institutions and Trade	Total
Industries	Domestic Direct Coefficients $A_{11}$	Domestic Household Coefficients $A_{12}$	Final Demand and Exports $y_1$	Industry Output $x_1$
Factors	Value Added Coefficients $A_{21}$	$A_{22}$	$y_2$	Value Added $x_2$

Focusing in on the household component, the system of equation (15) can be partitioned into sub-matrices, as shown in Figure 4, as follows:

$$(17) \begin{bmatrix} x_1 \\ x_2 \end{bmatrix} = \begin{bmatrix} A_{11} & A_{12} \\ A_{21} & A_{22} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \end{bmatrix} + \begin{bmatrix} y_1 \\ y_2 \end{bmatrix}$$

where the subscript 1 refers to industries and the subscript 2 refers to households. Equation (17) can be rewritten as a system of equations:

$$(18) x_1 = A_{11} x_1 + A_{12} x_2 + y_1$$

$$(19) x_2 = A_{21}x_1 + A_{22}x_2 + y_2$$

Rearranging equation (18) in terms of  $x_1$  yields:

$$(20) x_1 = (I - A_{11})^{-1} A_{12}x_2 + (I - A_{11})^{-1} y_1$$

Similarly, rearranging equation (19) in terms of  $x_2$  yields:

$$(21) x_2 = (I - A_{22})^{-1} A_{21}x_1 + (I - A_{22})^{-1} y_2$$

Given that  $y_1$  and  $y_2$  are known (*i.e.*, exogenous demands are known), the system of equations (20) and (21) can be solved algebraically by substituting equation (21) into equation (20) or, as is done algorithmically with IMPLAN, the system can be solved by approximation.

The difficulty with the formulation above lies in the definition of the sub-matrices of  $A$  relating to households, specifically sub-matrices  $A_{12}$ ,  $A_{21}$  and  $A_{22}$ . By definition, the formulation above presumes that sub-matrix  $A_{12}$  represents normalized household consumption, sub-matrix  $A_{22}$  is an interaction term, and sub-matrix  $A_{21}$  represents normalized household income coefficients. Unfortunately, sub-matrix  $A_{21}$  cannot be derived from the “traditional” IMPLAN input-output accounts of the type shown in Figure 1. Close inspection will show that the coefficients of sub-matrix  $A_{21}$  are derived from the value added account which represent income payments by industries classified according to factor groups (such as employee compensation and property income). In contrast, sub-matrix  $A_{12}$ , household consumption is classified according to the institution (households) making the purchase. The accounts do not contain enough information to separate household income from gross factor income. Further, household “place of residence” income cannot be distinguished from the gross “place of work” factor payments. Thus the disparate classifications of income as “place of work” factor receipts on one hand and consumption as household “place of residence” spending precludes the direct construction of the coefficients for sub-matrix  $A_{21}$  consistent with the other household sub-matrices of  $A$ .

These shortcomings for modeling the induced effects of household spending in the traditional IMPLAN accounting system were addressed by deriving a Type III multiplier. The accounting system was modified as shown in Figure 5, changing the definition of sub-matrices  $A_{12}$ ,  $A_{21}$  and  $A_{22}$ . In this case, sub-matrix  $A_{12}$  is redefined as normalized *per capita* household consumption, sub-matrix  $A_{22}$  remains an interaction term, and sub-matrix  $A_{21}$  is redefined as normalized coefficients representing the resident population receiving income (as a function of employment). Redefining sub-matrix  $A_{21}$  in this way resolves two shortcomings noted above on the presumption that household income is closely aligned with employment and the difference between “place of work” and “place of residence” income can be explained by focusing on the resident population. Using these redefinitions of  $A$ , the model described by equations (20) and (21) above can be solved as a system with the induced component formulated as a Type III multiplier.

**Figure 5. Modified I-O Model Framework, Inter-industry Format**

	Industries	Households	Other Institutions and Trade	Total
Industries	Domestic Direct Coefficients $A_{11}$	Domestic Household Consumption Coefficients (per capita) $A_{12}$	Final Demand and Exports $y_1$	Industry Output $x_1$
Households	Population receiving income (function of employment) $A_{21}$	$A_{22}$	$y_2$	Population $x_2$

### Modeling the Induced Effect with IMPLAN SAM Accounts

The expansion of the IMPLAN accounts to a complete social accounting system overcomes the limitations of the I-O accounts related to modeling induced effects. This section describes the formulation of the Type II multiplier model in the context of IMPLAN's SAM accounting structure.

Following the accounting framework shown in Figure 6, the SAM balance equation based on the accounting framework in Figure 3 is:

(22)  $x = X + y$  where

$m$  = the number of domestic industries,

$n$  = the number of factors,

$x$  is a  $(m + n + 1) \times 1$  vector of total industry and factor output, plus household output,

$X$  is a  $(m + n + 1) \times (m + n + 1)$  transactions matrix including sub-matrices of inter-industrial transactions, value added, factor disbursements and inter-institutional transfers and also including households, and

$y$  is final demand including exports but less household demands, reduced to a vector.

Assuming inputs are proportional to total outlays, a direct input requirements matrix  $A$  can be derived:

(23)  $A = X\hat{x}^{-1}$  such that

(24)  $X = Ax$

**Figure 6. SAM Model, Type II Formulation**

	Industries	Factors	Households	Other Institutions and Trade	Total
Industries	Direct Requirements Coefficients $A_{11}$		Household Consumption Coefficients $A_{13}$	Institutional Consumption and Exports $y_1$	Industry Output $x_1$
Factors	Value Added $A_{21}$			$y_2$	Value Added $x_2$
Households	Direct Requirements from Households $A_{31}$	Factor Disbursement Coefficients $A_{32}$	Inter-Household Transfers $A_{33}$	Inter-Institutional Transfers, Institutional, Factor Services Exports $y_3$	Institutional Receipts $x_3$

By substitution, the standard behavioral model for general multiplier analysis can be written as:

(25)  $x = Ax + y$  or, solving for  $x$  as a function of  $y$ ,

$$(26) x = (I - A)^{-1} y$$

Focusing in on the income flows from the production to factors and ultimately disbursement to households, the system can be partitioned into sub-matrices as follows:

$$(27) \begin{bmatrix} x_1 \\ x_2 \\ x_3 \end{bmatrix} = \begin{bmatrix} A_{11} & & A_{13} \\ A_{21} & & \\ A_{31} & A_{32} & A_{33} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \\ x_3 \end{bmatrix} + \begin{bmatrix} y_1 \\ y_2 \\ y_3 \end{bmatrix}$$

where the subscript 1 refers to industries, the subscript 2 refers to factors, and the subscript 3 refers to households. Equation (27) can be rewritten as a system of equations:

$$(28) x_1 = A_{11} x_1 + A_{13} x_3 + y_1$$

$$(29) x_2 = A_{21} x_1 + y_2$$

$$(30) x_3 = A_{31} x_1 + A_{32} x_2 + A_{33} x_3 + y_3$$

Rearranging equation (28) in terms of  $x_1$  yields:

$$(31) x_1 = (I - A_{11})^{-1} A_{13} x_3 + (I - A_{11})^{-1} y_1$$

Equation (29) already gives the solution for  $x_2$  :

$$(32) x_2 = A_{21} x_1 + y_2$$

Rearranging equation (30) in terms of  $x_3$  yields:

$$(33) x_3 = (I - A_{33})^{-1} A_{31} x_1 + (I - A_{33})^{-1} A_{32} x_2 + (I - A_{33})^{-1} y_3$$

Given that  $y_1$ ,  $y_2$  and  $y_3$  are known (*i.e.*, exogenous changes in demand or income are known), the system of equations (31), (32) and (33) can be solved algebraically by substituting equations (31) and (32) into equation (33) or, as is done algorithmically with IMPLAN, the system can be solved by approximation.

This derivation, based on the expanded accounting system, explicitly solves for the Type II formulation of induced effects. The two shortcomings of the I-O accounting structure, inconsistent classification between household income and consumption and the lack of correction from “place of work” to “place of residence” income, are both eliminated in the SAM formulation. Sub-matrix  $A_{32}$  is the key component, describing how gross “place of work” factor receipts (sub-matrix  $A_{21}$ ) are allocated to domestic institutions (net of imported factor services) as “place of residence” income for factor services.

Two additional comments can be made about this formulation. The first is, perhaps, obvious. The Type II formulation described above limits the induced component of the multiplier model to household spending only. Arguments can be easily made, however, that other institutions should be included in the induced component, such as parts or all of government operations. Expanding the dimensions of the  $A$  matrix to accommodate these institutions as desired would result in the derivation of any of several Type  $n$  multipliers depending on which institutions are included. A second comment concerns an underlying simplicity in the SAM. Consider the relationship between factor receipts and their disbursement to institutions in the formulation above. Total factor receipts  $x_2$  are determined as in equation (28) and total factor receipts are distributed among institutions by the term  $A_{32} x_2$  in equation (29). The point is that the interaction term in the equations has to do with *total* factor receipts (the sub-vector  $x_2$ ) rather than a *matrix* of factor receipts showing variations in factor earnings across industries. Thus the *size* distribution of factor incomes among institutions must be fixed (given by the sub-matrix  $A_{32}$ ) regardless of the industry in which the factor income may originate. In other words, an impact model derived from these accounts will be able to capture variations in the *factor* distribution of income (different industries may use individual factors in

different proportions), but not the *size* distribution of income among institutions. In this sense, I consider the SAM somewhat “brain-dead”, lacking an appealing attribute for examining changes in the size distribution of income. Only with the addition of transition sub-matrices to link sectoral factor incomes to institutions could the deficiency be overcome.

## Appendix A: Sub-matrix Definitions for the IMPLAN Accounts

**Figure A1. Input-Output Accounting Framework, Industry and Commodity Format**

	Industries	Commodities	Institutions	Trade	Total
Industries		Domestic Commodity Make (a)		Commodity Exports (b)	Industry Output
Commodities	Domestic Commodity Use (c)		Domestic Commodity Consumption (d)		Domestic Commodity Output
Factors	Value Added (e)				Value Added
Institutions		Domestic Commodity Sales (f)		Commodity Exports (i)	Institutional Receipts from Commodity Sales
Trade	Commodity Imports (j)		Commodity Imports (l)	Transshipments (m)	Commodity Imports
Total	Industry Outlay	Domestic Commodity Output	Institutional Outlay for Commodities	Commodity Exports	

Sub-matrix definitions for the input-output accounting framework, industry and commodity format:

Sub-matrix	Label	Description
(a)	Domestic Commodity Make	Production of commodities by domestic industries for domestic consumption
(b)	Commodity Exports	Production of commodities by domestic industries for export
(c)	Domestic Commodity Use	Consumption of domestically produced commodities by domestic industries
(d)	Domestic Commodity Consumption	Consumption of domestically produced commodities by domestic institutions
(e)	Value Added	Factor payments by domestic industries
(f)	Domestic Commodity Sales	Commodity sales by domestic institutions
(i)	Commodity Exports	Commodity exports by domestic institutions
(j)	Commodity Imports	Commodity imports by domestic industries
(l)	Commodity Imports	Commodity imports by domestic institutions
(m)	Transshipments	Commodity imports for export

**Figure A2. Social Accounting Framework, Industry and Commodity Format**

	Industries	Commodities	Factors	Institutions	Trade	Total
Industries		Domestic Commodity Make (a)			Commodity Exports (b)	Industry Output
Commodities	Domestic Commodity Use (c)			Domestic Commodity Consumption (d)		Domestic Commodity Output
Factors	Value Added (e)					Value Added
Institutions		Domestic Commodity Sales (f)	Factor Disbursements (g)	Inter-Institutional Transfers (h)	Commodity and Factor Services Exports (i)	Institutional Receipts
Trade	Commodity Imports (j)		Factor Services Imports (k)	Commodity Imports and Remittances (l)	Transshipments (m)	Commodity, Factor Services Imports, Remittances
Total	Industry Outlay	Domestic Commodity Output	Factor Outlay	Institutional Outlay	Commodity, Factor Services Exports	

Sub-matrix definitions for the social accounting framework, industry and commodity format:

Sub-matrix	Label	Description
(a)	Domestic Commodity Make	Production of commodities by domestic industries for domestic consumption
(b)	Commodity Exports	Production of commodities by domestic industries for export
(c)	Domestic Commodity Use	Consumption of domestically produced commodities by domestic industries
(d)	Domestic Commodity Consumption	Consumption of domestically produced commodities by domestic institutions
(e)	Value Added	Factor payments by domestic industries
(f)	Domestic Commodity Sales	Commodity sales by institutions
(g)	Factor Disbursements	Factor disbursements to domestic institutions
(h)	Inter-institutional Transfers	Transactions between domestic institutions
(i)	Commodity and Factor Services Exports	Commodity exports by domestic institutions and factor service exports by institutions
(j)	Commodity Imports	Commodity imports by domestic industries
(k)	Factor Services Imports	Factor services imports by domestic industries
(l)	Commodity Imports and Remittances	Commodity imports by domestic institutions and remittances by domestic institutions to the rest of the world
(m)	Transshipments	Commodity imports for export

**Figure A3. Social Accounting Framework, Interindustry Format**

	<b>Industries</b>	<b>Factors</b>	<b>Institutions</b>	<b>Trade</b>	<b>Total</b>
<b>Industries</b>	Domestic Inter-industry Transactions (o)		Domestic Consumption (p)	Exports of Industry Output (q)	Industry Output
<b>Factors</b>	Value Added (e)				Value Added
<b>Institutions</b>	Institutional Sales to Industries (r)	Factor Disbursements (g)	Inter-Institutional Transfers (h)	Institutional and Factor Services Exports (i)	Institutional Receipts
<b>Trade</b>	Commodity Imports (j)	Factor Services Imports (k)	Commodity Imports and Remittances (l)	Transshipments (m)	Commodity, Factor Services Imports, Remittances
<b>Total</b>	Industry Outlay	Factor Outlay	Institutional Outlay	Industry, Factor Services Exports	

Sub-matrix definitions for the social accounting framework, inter-industry format:

Sub-matrix	Label	Description
(e)	Value Added	Factor payments by domestic industries
(g)	Factor Disbursements	Factor disbursements to domestic institutions
(h)	Inter-institutional Transfers	Transactions between domestic institutions
(i)	Commodity and Factor Services Exports	Commodity exports by domestic institutions and factor service exports by institutions
(j)	Commodity Imports	Commodity imports by domestic industries
(k)	Factor Services Imports	Factor services imports by domestic industries
(l)	Commodity Imports and Remittances	Commodity imports by domestic institutions and remittances by domestic institutions to the rest of the world
(m)	Transshipments	Commodity imports for export
(o)	Domestic Inter-industry Transactions	Transactions between domestic industries
(p)	Domestic Consumption	Consumption by domestic institutions from domestic industries
(q)	Exports of Industry Output	Exports by domestic industries
(r)	Institutional Sales to Industries	Commodity sales by domestic institutions to domestic industries

*Appendix C – Financial Projections*

GREAT LAKES REGIONAL CENTER, LLC - FINANCIALS AS OF JULY 31, 2013

(b)(4)



(b)(4)

GREAT LAKES REGIONAL CENTER, LLC - BUDGET & FINANCIAL PROJECTIONS



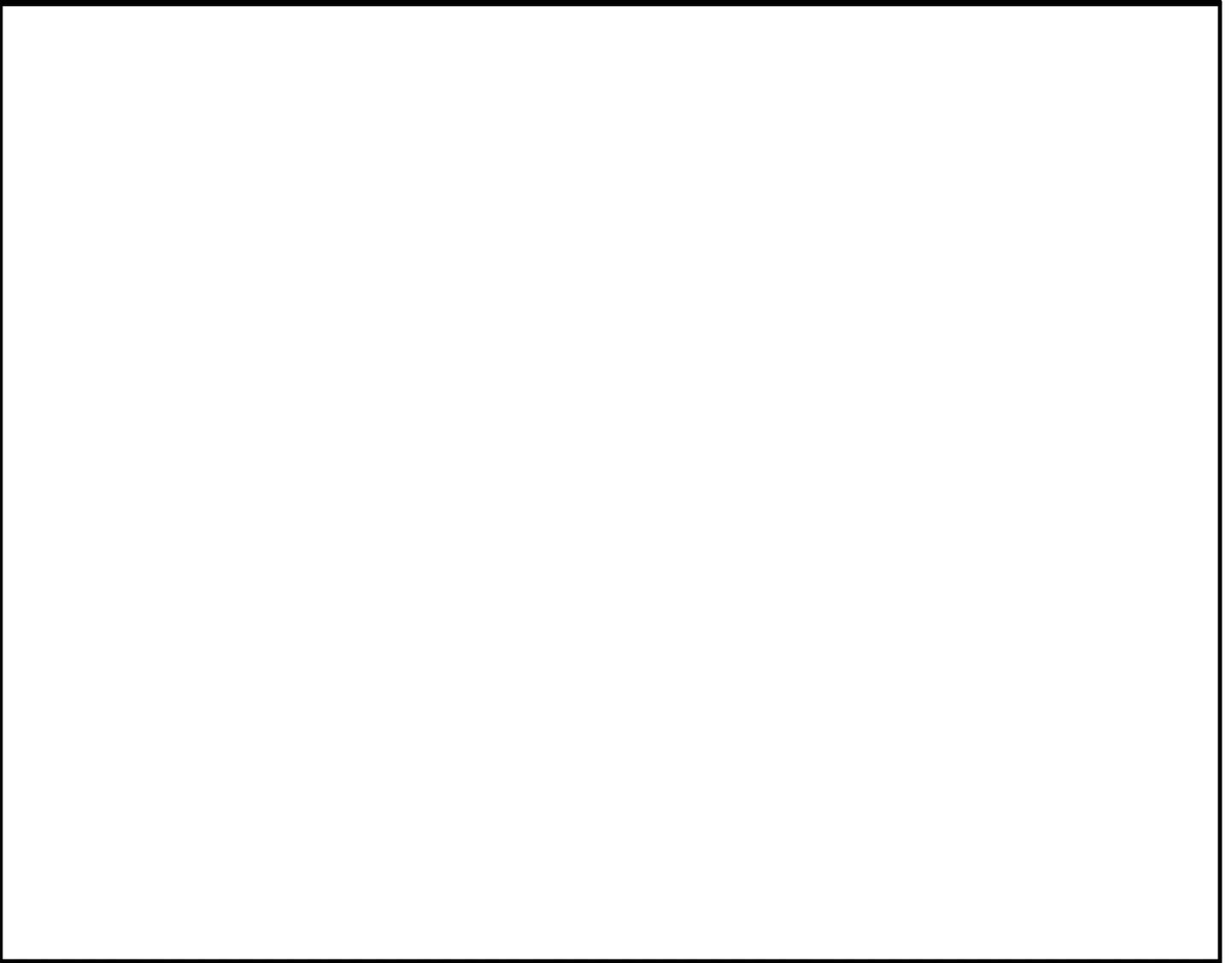
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GREAT LAKES REGIONAL CENTER, LLC - BUDGET & FINANCIAL PROJECTIONS



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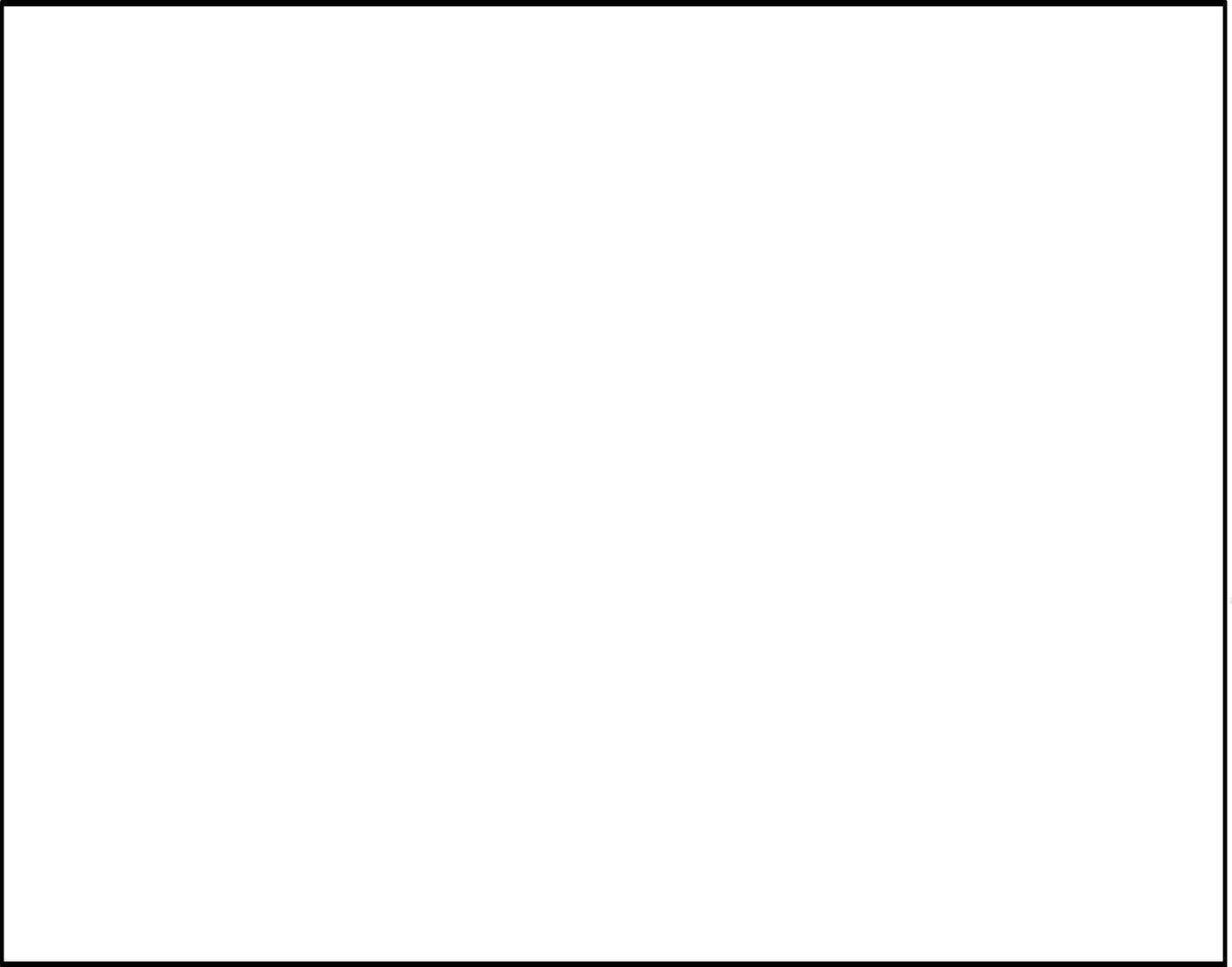
**PROJECT FEES (PRE-FUNDING)**



(b)(4)

**ANNUAL REPORTING & INVESTOR MAINTENANCE REVENUE**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION



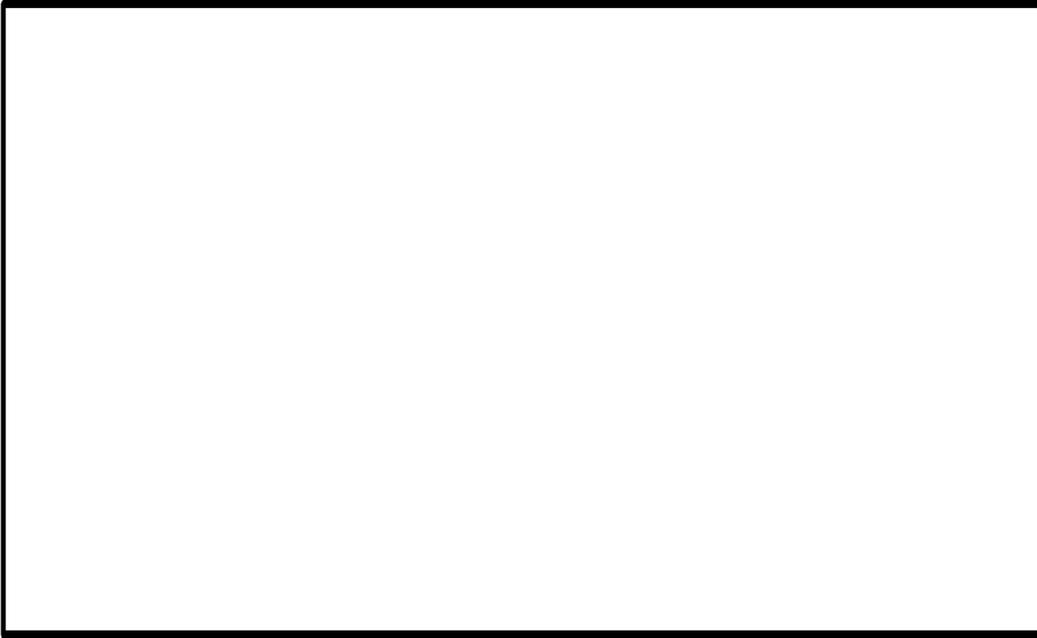
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GLRC INVESTMENT FUND I, LLC - FINANCIAL PROJECTIONS



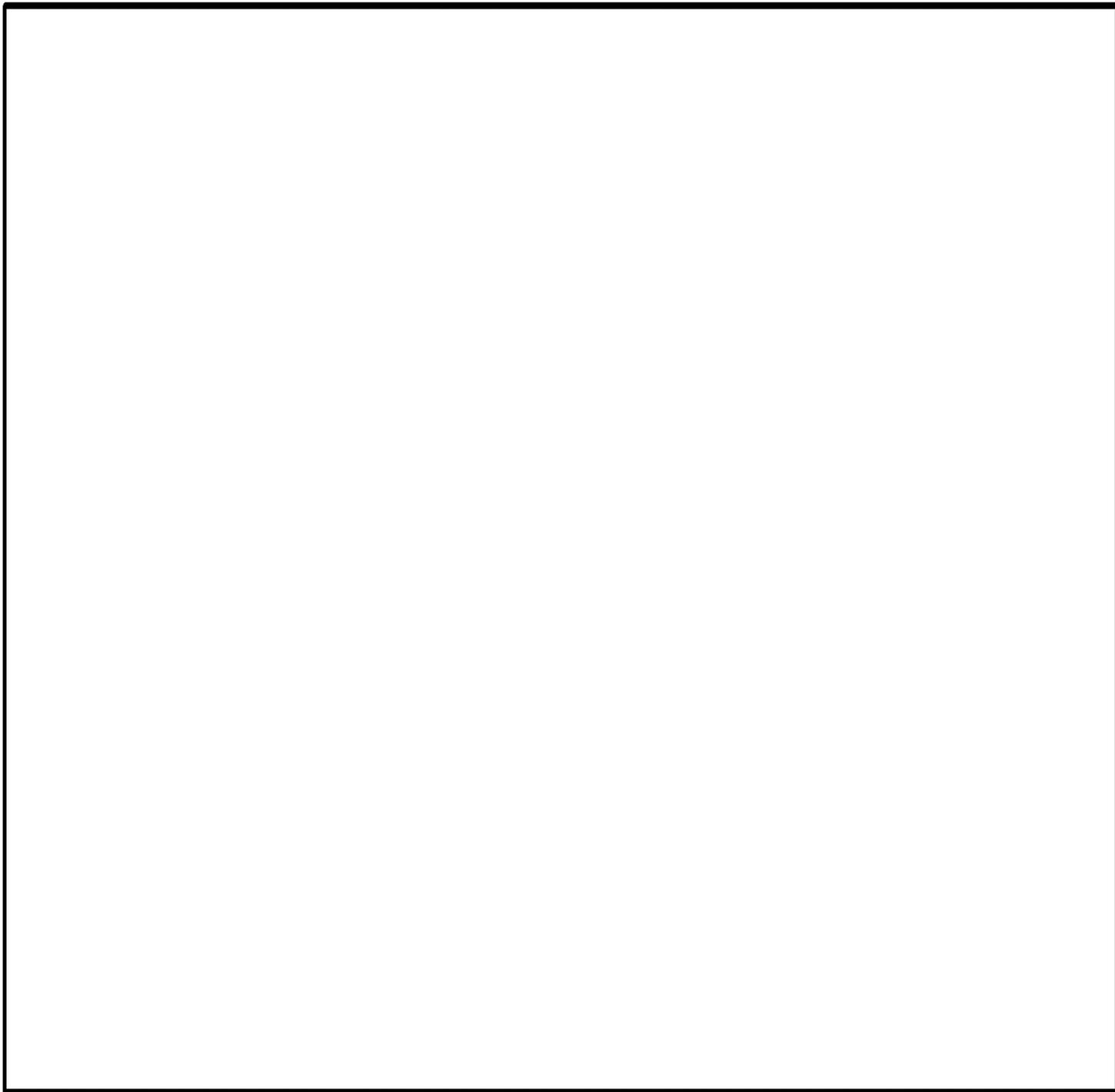
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GLRC INVESTMENT FUND I, LLC - FINANCIAL PROJECTIONS



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GLRC INVESTMENT FUND II, LLC - FINANCIAL PROJECTIONS



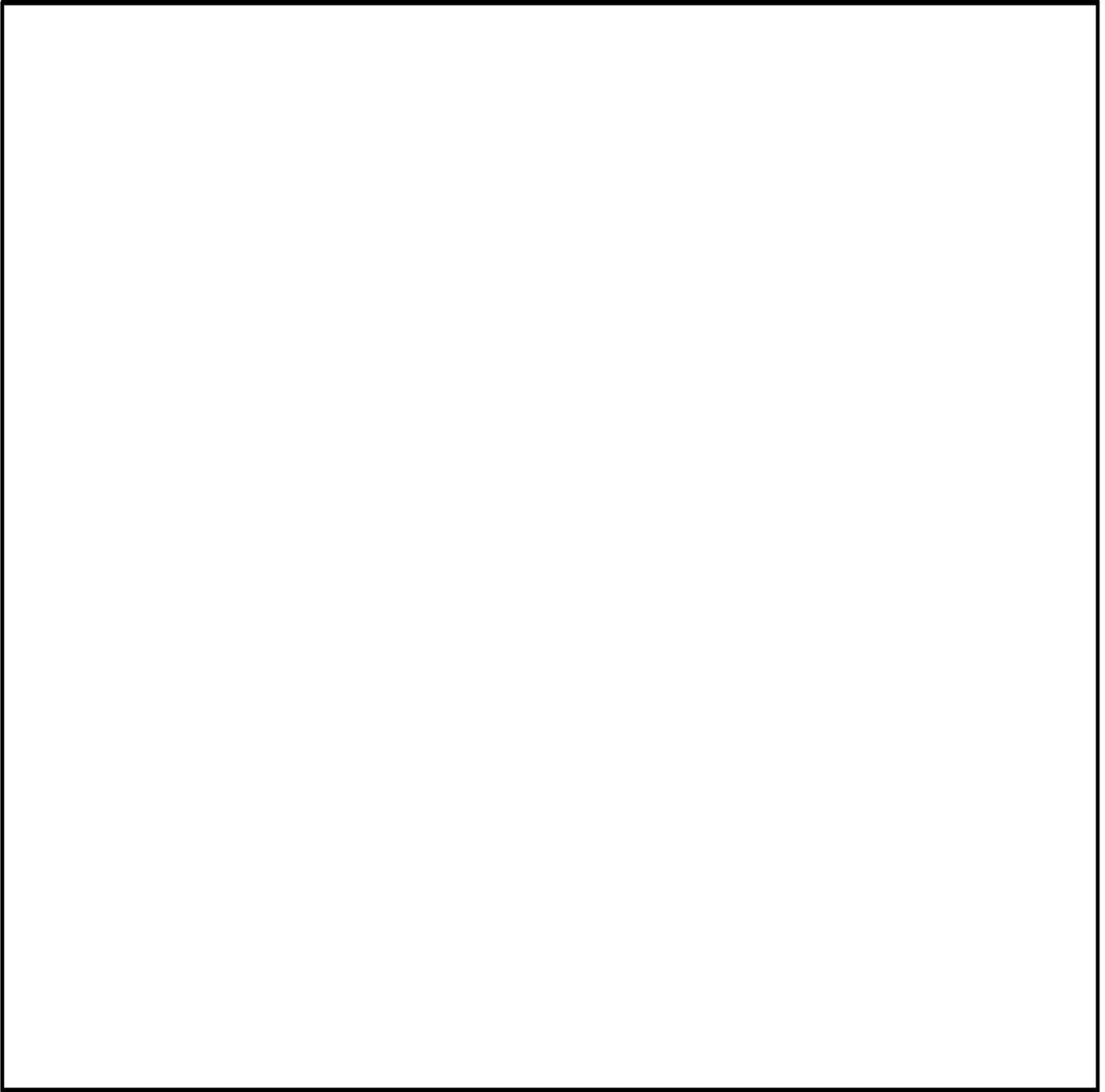
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**GLRC INVESTMENT FUND II, LLC - FINANCIAL PROJECTIONS**



(b)(4)

25 INVESTOR FUND - FINANCIAL PROJECTIONS



(b)(4)

25 INVESTOR FUND - FINANCIAL PROJECTIONS



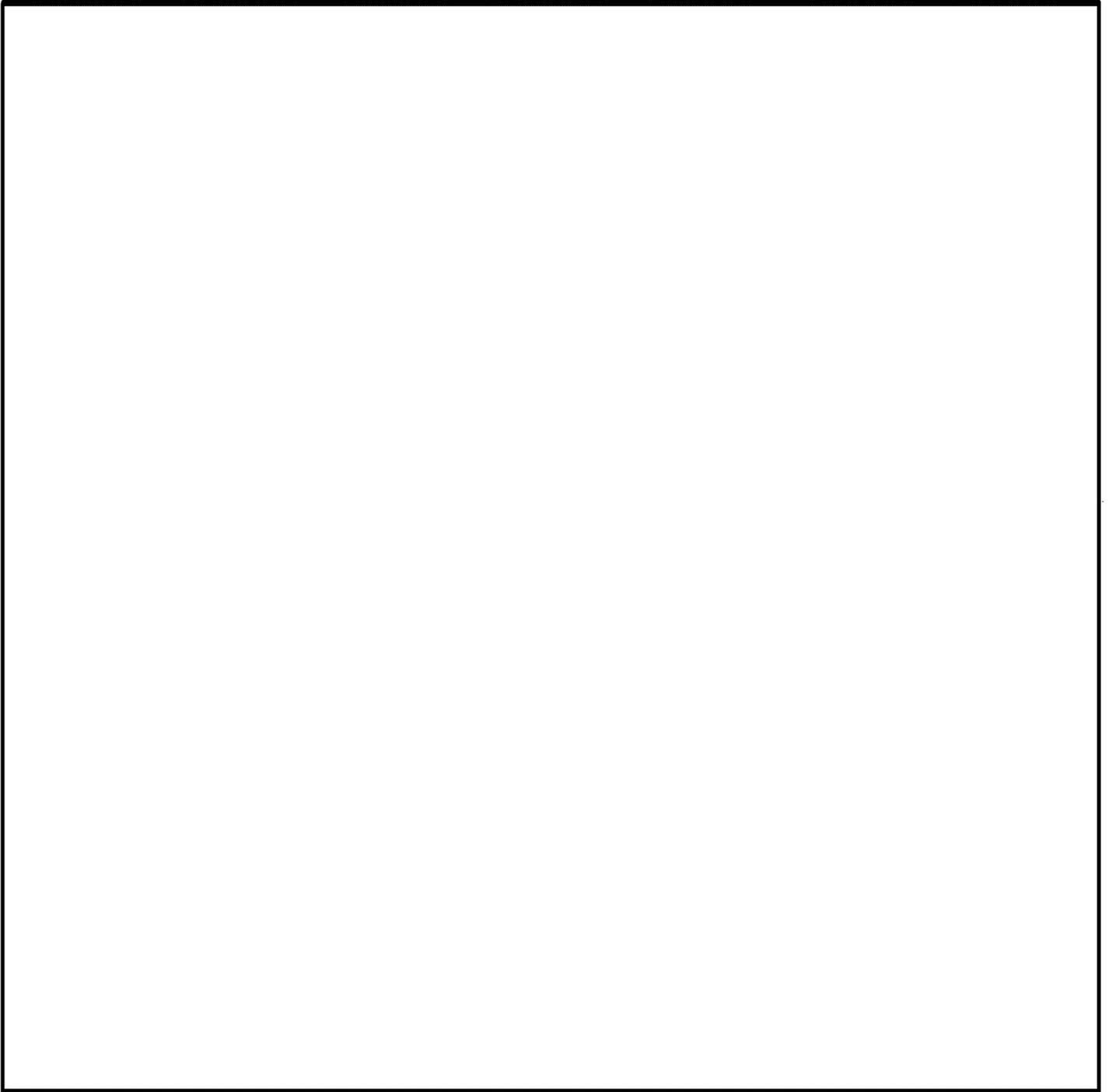
(b)(4)

50 INVESTOR FUND - FINANCIAL PROJECTIONS



(b)(4)

50 INVESTOR FUND - FINANCIAL PROJECTIONS



*Appendix D – Sample GLRC Documents*



Dear Prospective Investor,

Thank you for your interest in an EB-5 investment through Great Lakes Regional Center. Attached please find two questionnaires that you will need to complete so that we can begin the process of reviewing your eligibility for the program.

***Instructions:***

Each questionnaire must be filled out completely. Once you have filled out the forms, please sign and date each. To ensure that your information will be reviewed promptly, please be sure to:

1. Sign and date each questionnaire.
2. Provide a copy of a valid passport and/or current US Visa (if applicable).
3. Scan and email to [info@greatlakesregionalcenter.com](mailto:info@greatlakesregionalcenter.com).





Do you know of any medical condition that may disqualify you, your spouse or your children under the age of 21 from receiving U.S. immigrant visas?

Summarize your past work experience(s) (job title, dates started/ended, and company name(s)), including your present occupation.

Will you be able to clearly document that the cash required to make your investment comes from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments, inheritance, gifts or loans?

Summarize how you acquired your wealth, including the source of the investment funds.

\_\_\_\_\_  
(SIGNATURE OF APPLICANT)

\_\_\_\_/\_\_\_\_/\_\_\_\_  
(MONTH / DAY / YEAR)



Subscribe... itability Questionnaire – Part 2

Great Lakes Regional Center

Please answer all of the questions. Please enter N/A if the question is non-applicable.

PRIMARY APPLICANT INFORMATION

NAME \_\_\_\_\_
(Last) (First) (Middle Initial)

GENDER: [ ] Male [ ] Female

OTHER NAMES USED OR ALIASES (i.e. maiden name) \_\_\_\_\_

FULL NAME IN NATIVE ALPHABET \_\_\_\_\_

SOCIAL SECURITY # \_\_\_\_\_ A# \_\_\_\_\_

CURRENT RESIDENTIAL ADDRESS

(Street # and Name) (Apt. #)

(City or Town) (State or Province)

(Country) (Zip or Postal Code)

TELEPHONE NUMBER \_\_\_\_\_
(Country Code) (Area Code) (Number)

CELL PHONE NUMBER \_\_\_\_\_
(Country Code) (Area Code) (Number)

FAX NUMBER \_\_\_\_\_
(Country Code) (Area Code) (Number)

EMAIL ADDRESS \_\_\_\_\_

WHAT IS YOUR CURRENT OCCUPATION? \_\_\_\_\_

ENGLISH LANGUAGE [ ] NEED TRANSLATOR [ ] CONVERSATIONAL [ ] FLUENT OTHER
FOREIGN LANGUAGES \_\_\_\_\_

ANTICIPATED DATE OF YOUR PETITION SUBMISSION \_\_\_\_/\_\_\_\_/\_\_\_\_
(MONTH / DAY / YEAR)

\*NOTE: To satisfy banking laws, the above information will be shared with, the Escrow Agent for the Fund.



**APPLICANTS LIVING IN THE UNITED STATES**

**U.S. ADDRESS**

\_\_\_\_\_  
(Street # and Name)

\_\_\_\_\_  
(Apt. #)

\_\_\_\_\_  
(City or Town)

\_\_\_\_\_  
(State or Province)

\_\_\_\_\_  
(Country)

\_\_\_\_\_  
(Zip or Postal Code)

DATE OF ARRIVAL \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(MONTH / DAY / YEAR)

TYPE OF VISA: \_\_\_\_\_

I-94 # \_\_\_\_\_ CURRENT NON-IMMIGRANT STATUS \_\_\_\_\_  
(ARRIVAL AND DEPARTURE RECORD #)

EXPIRES ON \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(MONTH / DAY / YEAR)

**GENERAL IMMIGRATION QUESTIONS**

ARE YOU CURRENTLY A GREEN CARD HOLDER? (PLEASE CIRCLE ONE)      YES      NO

IF YES, WHEN DOES IT EXPIRE? \_\_\_\_\_

HAVE YOU PREVIOUSLY HELD A US TOURIST OR BUSINESS VISA (A B1 OR B2 VISA)? (PLEASE CIRCLE ONE)      YES      NO

IF YES, WHAT TYPE OF VISA? \_\_\_\_\_

IF YES, WHEN WAS YOUR LAST DATE OF ENTRY? \_\_\_\_\_

HAVE YOU PREVIOUSLY APPLIED FOR A US IMMIGRANT OR NON-IMMIGRANT VISA AND BEEN DENIED? (PLEASE CIRCLE ONE)      YES      NO

IF YES, PLEASE PROVIDE DETAILS WHY APPLICATION WAS DENIED:

\_\_\_\_\_  
\_\_\_\_\_



IS THERE ANYTHING IN YOUR RECORD THAT WOULD LEAD TO A DENIAL OF YOUR VISA AT THE U.S. CONSULATE INTERVIEW OR CHANGE OF STATUS (I-485) LEVEL OF THE EB-5 VISA PROCESS?  
IF SO, PLEASE EXPLAIN:

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ARE THERE ANY CHILDREN LISTED ON THE PRELIMINARY QUESTIONNAIRE THAT WILL TURN 21 WITHIN THE NEXT YEAR? (PLEASE CIRCLE ONE) YES NO

IF YES, PLEASE PROVIDE NAME AND DATE OF BIRTH OF CHILD:

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IS THERE ANY OTHER RELEVANT INFORMATION REGARDING YOUR CURRENT IMMIGRATION THAT WE SHOULD BE AWARE OF FOR YOU OR ANY MEMBER OF YOUR FAMILY? (PLEASE PROVIDE DETAILS BELOW):

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**PRIMARY APPLICANT’S NET WORTH**

PLEASE DOCUMENT \$1 MILLION IN NET WORTH BELOW.

Qualifying investors currently in the U.S. on a non-immigrant visa need to be **accredited investors**. An accredited investor is a term defined by various security laws that describes investors permitted to invest in certain types of higher risk investments, limited partnerships, hedge funds and angel investor networks. In the U.S. an individual is considered to be an accredited investor if he or she has a net worth of at least \$1 million (excluding the primary residence) or has made at least \$200,000 each year for the last two years (\$300,000 with spouse if married) and has the expectation to make the same amount in the current year.

Please complete all sections below to the best of your ability so that we can evaluate the best funds to be used for immigration purposes. Under Source of Fund column, please note where the funds originated from, e.g. checking account \$250,000 from earned business income, savings account \$50,000 from the sale of boat, etc..

LOCATION OF ASSETS:       UNITED STATES                       ABROAD                       BOTH

IF ABROAD, WHICH COUNTRY(IES)? \_\_\_\_\_

<u>ASSETS</u>	<u>AMOUNT</u>	<u>SOURCE OF FUND</u>
CHECKING ACCOUNT	US\$	
SAVINGS ACCOUNT	US\$	
INVESTMENTS (STOCKS, BONDS & MUTUAL FUNDS)	US\$	
BUSINESS INCOME	US\$	
REAL ESTATE	US\$	
INHERITANCE	US\$	
GIFT*	US\$	
LOAN**	US\$	
OTHER (EXPLAIN ON SEPARATE SHEET)	US\$	
<b>TOTAL</b>	US\$	

\* Please note, if asset is a gift, source of funds for the gift needs to be explained, e.g. gift from parents of \$250,000, source of funds sale of parent’s real estate, etc..

\*\* Please note, we only accept loans made from a bank or other lending institutions such as home equity lines of credit.



<u>LIABILITIES</u>	<u>AMOUNT</u>
MORTGAGE	US\$
OTHER LOANS (EXPLAIN ON SEPARATE SHEET)	US\$
<b>TOTAL</b>	US\$
<b>TOTAL NET WORTH (ASSETS - LIABILITIES)</b>	US\$

\*NOTE: To satisfy banking laws, the above information will be shared with the Escrow Agent for the Fund.

**SOURCE OF FUNDS FOR INVESTMENT**

\*Please use an additional sheet if necessary.

Please be as specific as possible when completing the information below.

OF THE ABOVE ASSETS, WHICH WILL CONTRIBUTE TO THE INVESTMENT?

<u>ASSETS</u>	<u>AMOUNT</u>	<u>SOURCE OF FUND</u>
	US\$	
<b>TOTAL INVESTMENT</b>	US\$540,000	

**ADDITIONAL INFORMATION REQUESTED**

HAVE YOU RETAINED AN IMMIGRATION ATTORNEY? (PLEASE CIRCLE ONE)      YES      NO

IF SO, PLEASE PROVIDE CONTACT INFORMATION FOR OUR FILES:

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IF NO, DO YOU NEED A REFERRAL? (PLEASE CIRCLE ONE)      YES      NO



HOW DID YOU HEAR ABOUT GLRC AND OUR PROGRAMS?

---

---

WERE YOU REFERRED TO US BY SOMEONE? (PLEASE CIRCLE ONE)      YES      NO

IF YES, PLEASE PROVIDE NAME AND CONTACT INFORMATION FOR OUR FILES:

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*The information above is accurate and has been completed to the best of my ability.*

\_\_\_\_\_  
SIGNATURE OF APPLICANT

\_\_\_\_\_  
DATE OF SIGNATURE

**PREORGANIZATION SUBSCRIPTION AGREEMENT OF [COMPAN**  
 by and between an entity known as \_\_\_\_\_ and the Subscribers whose signatures  
 \_\_\_\_\_ the signature page hereof.

**WHEREAS**, it is proposed to organize under the Illinois Business Corporation Act of 1983 a corporation to be known as \_\_\_\_\_ and the Subscribers whose signatures  
 such other name as the incorporator may select; and  
**WHEREAS**, the aggregate number of shares that the corporation shall be authorized to issue is \_\_\_\_\_ or by

**WITNESSETH:**

Class	Par Value (if any)	Number of Shares Issued
Common		

All of the shares of the corporation presently authorized shall be issued so that such shares are "section 1244 stock" within the meaning of Section 1244 of the Internal Revenue Code of the United States, and shall be issued by the corporation for money or property (other than stock or securities), as a contribution to capital, for no more than a total of \$1,000,000.  
**WHEREAS**, it is proposed that said corporation shall be organized for the transaction of any or all lawful purposes for which corporations may be incorporated under the Illinois Business Corporation Act of 1983, and for such other purposes as the incorporator may determine.

**ARTICLE I  
 SUBSCRIPTION**

- NOW, THEREFORE**, we, the undersigned, severally subscribe for \_\_\_\_\_ shares of said proposed corporation set forth on **Exhibit A** and agree to pay \_\_\_\_\_ per share for the common shares set forth on the same.
- All subscriptions hereto shall be payable at such time or times as the Directors may determine; and shall be paid in cash, except as hereinafter provided. Any one or more of the subscribers, or any other person, shall not be bound by the description of the property to be transferred and conveying property to the incorporators of said corporation and may execute and file articles of incorporation and such provisions not inconsistent herewith as shall be deemed appropriate.
- Any one or more of the subscribers, or any other person, shall not be bound by the description of the property to be transferred and conveying property to the incorporators of said corporation and may execute and file articles of incorporation and such provisions not inconsistent herewith as shall be deemed appropriate.

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 or general adver  
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 v. No com.  
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The undersigned acknowledged  
 purchase of the Securities:

PARTNERSHIP AGREEMENT OF \_\_\_\_\_

**THIS PARTNERSHIP AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ to be effective as of the Effective Date (as defined in Article I) by and among the Partners (as defined in Article I) whose signatures appear on the signature page hereof.

**WITNESSETH**

**WHEREAS**, the Partners desire to establish and operate a general partnership in accordance with the terms of this Partnership Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually covenanted and agreed by and among the Partners as follows:

**ARTICLE I**

**DEFINITIONS**

In addition to the terms that are defined elsewhere in this Partnership Agreement, the terms used in this Partnership Agreement shall have the following meaning:

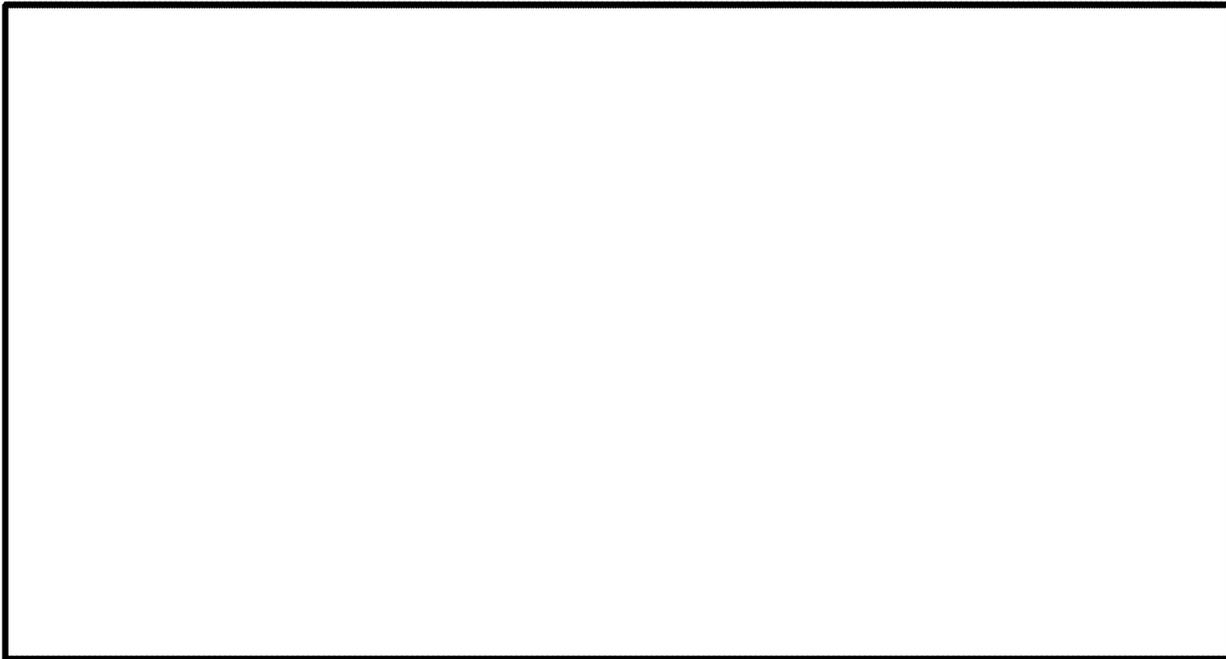
**1.01 "Act"** means the Illinois Uniform Partnership Act (1997), 805, ILCS 206/100, et seq.

**1.02 "Accountant"** means the accountant or accounting firm regularly engaged by the Partnership.

**1.03 "Affiliate"** means the parent, spouse, brother, sister (by whole or half-blood), children, or grandchildren of a Partner (the "Family") and any Entity in which a Partner and or a Partner's Family possesses directly or indirectly (in aggregate) a majority of the voting power or the ability to direct the management of such Entity.

(b)(4)





**1.09 “Chief Executive Office”** means the principal place of business of the Partnership as set for the §2.03 hereof.

**1.10 “Code”** means the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

**1.11 “Debtor In Bankruptcy”** means a person or Entity who is the subject of (a)an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or (b) a comparable order under federal, state, or foreign law governing insolvency.

**1.12 “Dissociated Partner”** means a Partner for whom an event of dissociation set forth in §14.01 hereof has occurred.

**1.13 “Dissolution Event”** means the happening of any of the events set forth under §15.01 hereof

**1.14 “Effective Date”** means \_\_\_\_\_, 20\_\_\_\_\_

**1.15 “Entity”** means a corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision, agency, or instrumentality or any other legal or commercial entity.

**1.16 “Exercise Period”** means the period beginning on the day of delivery of a copy of a written notice of a proposed Transfer(together with a copy of a Third-{arty Offer, if any)to each of the Partners and the Partnership and ending at 11:59 p.m., local time at the Partnership’s Chief Executive Office, on the 90<sup>th</sup> day following the date of such delivery.

**1.17 “Fiscal Year”** means the calendar year.

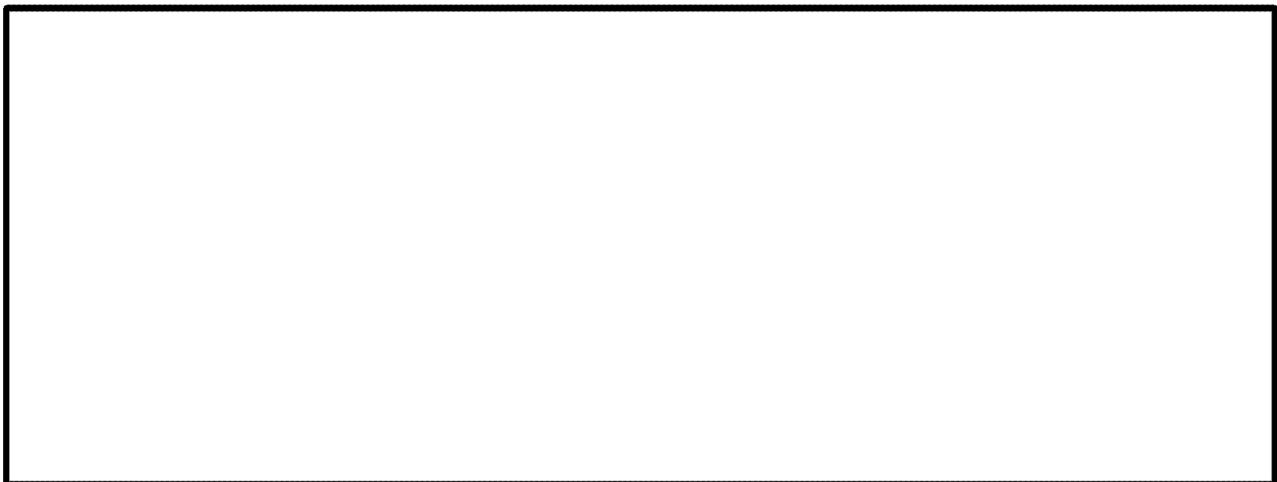
**1.18 “Gifting Interest Owner”** means any Interest Owner who gifts, bequeaths, or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of his or interest.

**1.19 “Interest”** means the ownership units in the Partnership held by any Partner or Transferable Interest Owner.

**1.20 “Interest Owner”** means any Partner or Transferable Interest Owner.

**1.21 “Managing Partner”** means \_\_\_\_\_, and any other Managing Partner of the Partnership as may be elected or appointed from time to time as provided hereinafter, until such time as each is relieved of his or her duties as Managing Partner. “Managing Partner” shall also mean the personal or legal representative of the last surviving Partner.

(b)(4)



**1.24 “Nonrecourse Deductions”** has the meaning set forth in Treasury Regulations §1.704-2(b)(1).

**1.25 “Nonrecourse Liability”** means a nonrecourse liability as defined in Treasury Regulations §1.752-1(a)(2).

**1.26 “Offer Price”** means the purchase price for a Partner’s Interest as set forth in a Third-Party Offer.

**1.27 “Option Price”** has the meaning ascribed to such term in §12.04(a) hereof.

**1.28 “Partner”** means each of the parties who execute a counterpart of this Partnership Agreement as a Partner and each of the parties who may hereafter become Partners. In addition to his or her rights as Managing Partner, a Manager Partner shall have all the rights of a Partner with respect to his or her Partnership Interest, and the term “Partner” as used herein shall include a Managing Partner. If a Person is a Partner immediately prior to his or her purchase or other acquisition of a Transferable Interest, he or shall continue to have all the rights of a Partner with respect to such purchased or otherwise acquired Transferable Interest, as the case may be.

**1.29 “Partner Nonrecourse Debt”** means any partnership liability to the extent the liability is nonrecourse for purposes of Treasury Regulations §1.1001-2, and a Partner or related

person (within the meaning of Treasury Regulations §1.752-4(b)) bears the economic risk of loss under Treasury Regulations §1.752-2 because, for example, the Partner or related person is the creditor or a guarantor.

(b)(4)

**1.31 “Partner Nonrecourse Deductions”** has the same meaning as “partner nonrecourse deductions” set forth in §§1.704-2(i)(1) and 1.704-2(i)(2) of the Treasury Regulations.

**1.32 “Partnership”** means \_\_\_\_\_, an Illinois general partnership.

**1.33 “Partnership Agreement”** means this Partnership Agreement as originally executed and as amended from time to time.

**1.34 “Partnership Interest”** means Partner’s entire interest in the Partnership, including his or her Transferable Interest and the right to participate in the management of the business and affairs of the Partnership, including the right to vote on, consent to, or otherwise participate in any decision or action of or by Partners granted pursuant to this Partnership Agreement and the Act.

**1.35 “Partnership Minimum Gain”** has the same meaning as “partnership minimum gain” set for in §§1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

**1.36 “Percentage Interest”** means for any Interest Owner as of a given time, the fraction whose numerator is the number of Units owned by the Interest Owner and whose denominator is the number of Units owned by all Interest Owners.

**1.37 “Permitted Transfer”** means a Transfer that complies with all of the provisions of Article XII hereof.

**1.38 “Person”** means any individual and the heirs, executors, administrators, legal representative, successors, and assigns of such “Person” where the context so permits.

**1.39 “Prime Rate”** means, as of a relevant date, the “Prime Rate” in the “Money Rates” feature in the “Money & Investing” section of the Wall Street Journal’s Midwest edition as of that date or the next following date such Prime Rate is published (or a comparable index if such “Prime Rate” is no longer published).

**1.40 “Property”** refers to all property of any kind and nature acquired by the Partnership and all additions or replacements thereto.

**1.41 “Purchase Option”** has the meaning ascribed to such term in §12.04(a) hereof.

**1.42 “Replacement Tax Distribution”** has the meaning ascribed to such term in §10.02(a) hereof.

**1.43 “Selling Interest Owner”** means any Interest Owner who sells, assigns, pledges, hypothecates, or otherwise transfers for consideration all or any portion of his or her interest.

**1.44 “Statement of Partnership Authority”** means a “statement of partnership authority” within the meaning of §303 of the Act.

**1.45 “Statement of Dissociation”** means a “statement of dissociation” within the meaning of §704 of the Act.

(b)(4) **1.46 “Statement of Dissolution”** means a “statement of dissolution” within the meaning of §805 of the Act.



**1.48 “Taxable Income” and “Taxable Loss”** means, for each Taxable Year, an amount equal to the partnership’s profits or loss for such Taxable Year, determined in accordance with Code §703(a), with the following adjustments:

(a) Items of income, gain, loss or deduction required to be stated separately pursuant to Code §703(a)(1) shall be taken into account.

(b) Any income of the Partnership that is exempt from federal income tax shall be included in profits;

(c) Any expenditures of the Partnership that are not deductible in computing its taxable income and not properly chargeable to its capital account described in Code §705(a)(2)(B) or treated as such expenditures pursuant to Treasury Regulations §1.704-1(b)(2)(iv)(i) shall be subtracted from such profits or increase such losses’

(d) In the event the Book Value of any Property is adjusted pursuant to Treasury Regulations §1.704-1(b)(2)(iv)(e) or §1.704-1(b)(2)(iv)(f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such assets;

(e) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Book Value;

(f) If a Property has a Book Value that differs from its adjusted basis for federal income tax purposes, then depreciation, depletion, or amortization with respect to such Property shall be determined in accordance with Treasury Regulations §1.704-1(b)(2)(iv)(g);

(g) If an adjustment to the adjusted basis of any Property pursuant to Code §734(b) or Code §743(b) is required pursuant to Treasury Regulations §1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner’s Interest in the Partnership, then the amount of such adjustment shall

be treated as an item of gain (if the adjustment increases the asset's tax basis) or loss (if the adjustment decreases the Property's basis); and

(h) Any items that are specifically allocated pursuant to §10.02 or §10.03 hereof shall be computed in a manner that is consistent with this §1.48 but shall not be taken into account in computing Taxable Income or Taxable Loss.

No item shall be duplicated in the computation of Taxable Income or Taxable Loss. The Managing Partner shall have the right to modify this definition of Taxable Income or Taxable Loss, if in the opinion of the Accountant such modification is necessary for the Partnership to comply with the Code or Treasury Regulations.

**1.49 "Taxable Year"** means a Fiscal Year or such shorter period for which the Partnership is required to allocate Taxable Income, Taxable Loss, and other items of Partnership Income, gain, loss, or deduction for federal income tax purposes.

**1.50 "Term"** means the period commencing on the Effective Date and ending on \_\_\_\_\_, 20\_\_\_\_\_.

**1.51 "Third-Party Offer"** means a bona fide written offer from a Person or Entity (other than an Affiliate of such Partner) to purchase all or a portion of a Partner's Units for a purchase price denominated and payable in United States dollars that is irrevocable for a period ending no sooner than the end of the Exercise Period.

**1.52 "Third-Party Offeror"** means a Person or Entity who makes a Third-Party Offer.

**1.53 "Transfer"** means collectively any sale, assignment, pledge, hypothecation, transfer, exchange, or other transfer for consideration or any gift, bequest, or other transfer for no consideration (whether or not by operation of law, except in case of bankruptcy). For purposes of this Partnership Agreement, the change of more than 50 percent of the voting power, ownership, or beneficial interest of an Interest Owner that is an Entity shall be treated as a Transfer of that Entity's Interest.

(b)(4)



**1.55 "Transferable Interest Owner"** means the owner of a Transferable Interest who is not a Partner.

**1.56 "Transferring Interest Owner"** shall collectively mean a Selling Interest Owner and a Gifting Interest Owner.

**1.57 "Treasury Regulations"** shall include the proposed, temporary, and final regulations promulgated under the Code.

**1.58 "Unit"** means the smallest whole unit or ownership of the Partnership.

**1.59 "Wrongfully Dissociate"** means to dissociate by means of a Wrongful Dissociation.

(b)(4)



## ARTICLE II

### FORMATION OF THE PARTNERSHIP

**2.01 Formation.** The Partners hereby establish the \_\_\_\_\_ as an Illinois general partnership. The Partnership shall exist under and be governed by, and this Partnership Agreement shall be construed in accordance with, the Act and any other applicable laws of the State of Illinois. The Managing Partner shall make all filings and disclosures required by, and shall otherwise take such actions as are necessary in order to comply with, all such laws. The Managing Partner shall execute and file, as appropriate, any assumed or fictitious name certificates and other documents and instruments as may be necessary or appropriate with respect to the formation of and conduct of business by the Partnership.

**2.02 Name.** The name of the Partnership is " \_\_\_\_\_ ".

**2.03 Chief Executive Office.** The initial Chief Executive Office of the Partnership within the State of Illinois shall be its principal place of business located at \_\_\_\_\_, Illinois \_\_\_\_\_, located in \_\_\_\_\_ County, Illinois. The Partnership may locate its places of business and Chief Executive Office at any other place or places as the Partners may deem advisable.

**2.04 Term.** The Partnership shall commence on the Effective Date and shall continue until the end of the Term.

## ARTICLE III

### BUSINESS OF THE PARTNERSHIP

The business of the Partnership shall be to \_\_\_\_\_  
Except as otherwise provided in this Agreement, the Partnership shall not engage in any other activity or business, and no Partner shall have any authority to hold itself out as a general agent of the Partnership, or of another Partner, in any other business or activity.

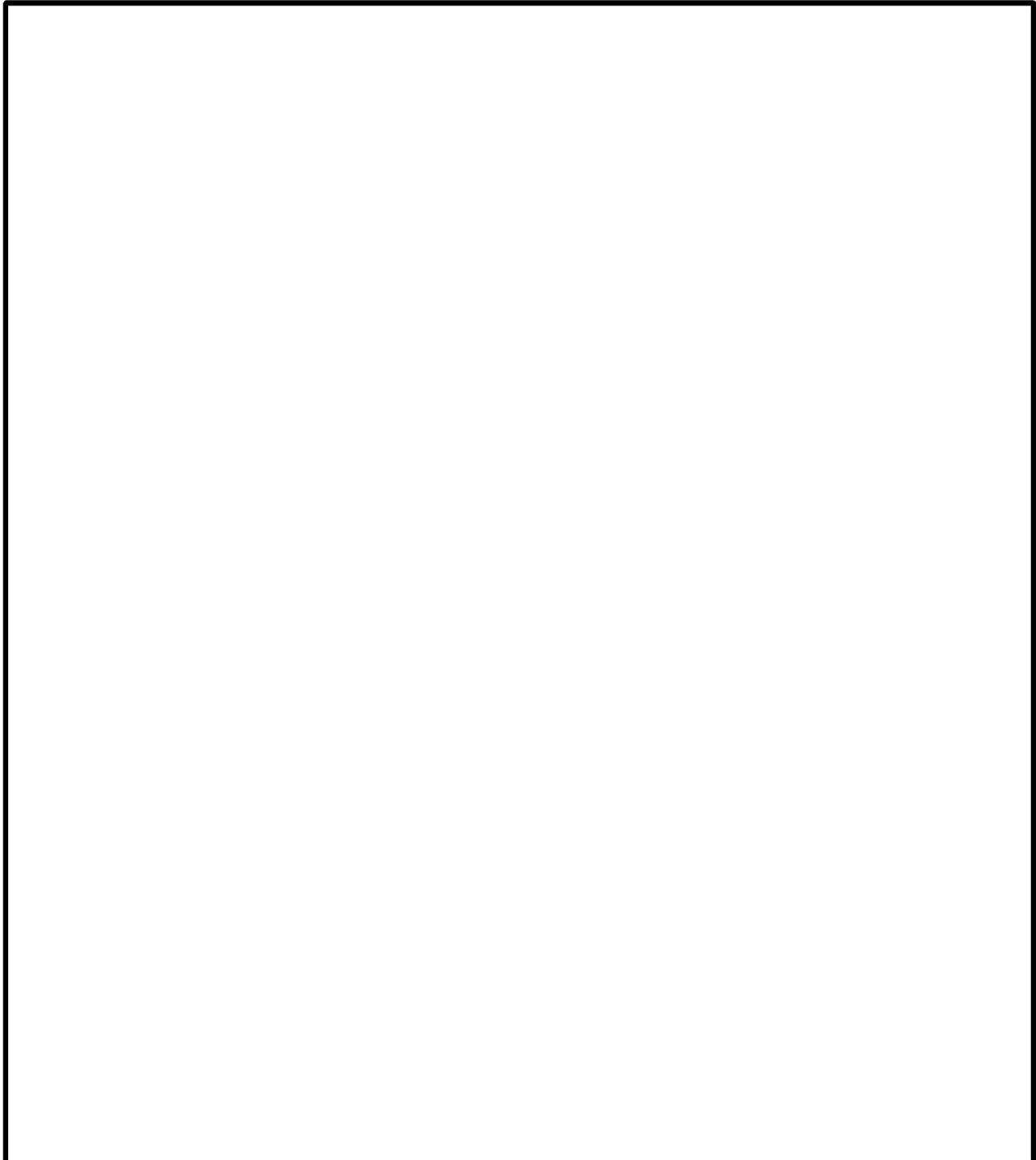
## ARTICLE IV

### NAMES AND ADDRESSES OF PARTNERS

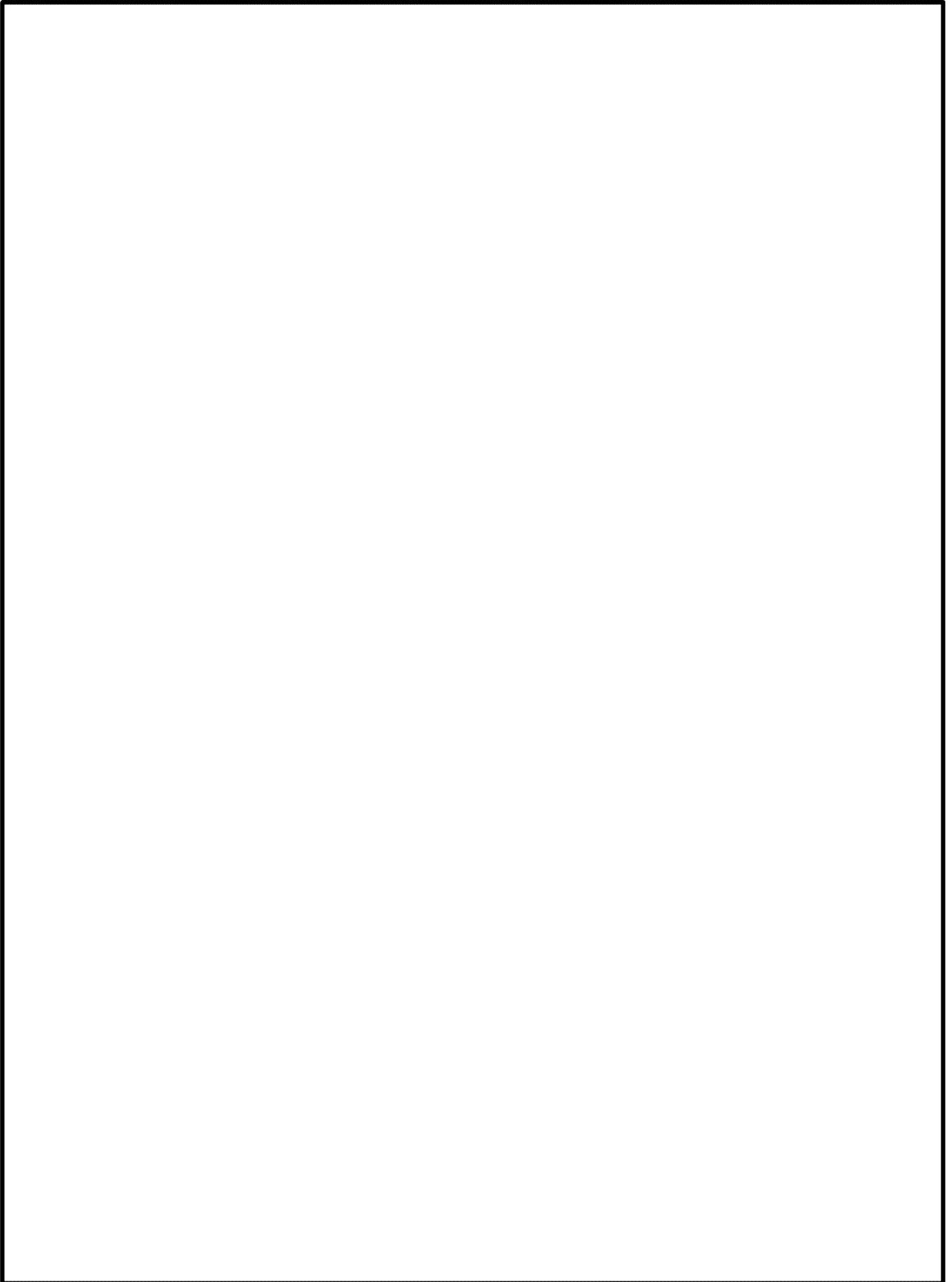
The names and addresses of the Partners are set forth on Exhibit A, which is attached to this Partnership Agreement and made a part of this Partnership Agreement by this reference, Exhibit A may be amended from time to time by the Managing Partner to reflect changes in Partner Information, including names, addresses, and holdings of Units.

**ARTICLE V**  
**RIGHTS AND DUTIES OF THE MANAGING PARTNER AND**  
**THE PARTNERS IN PARTNERSHIP MANAGEMENT**

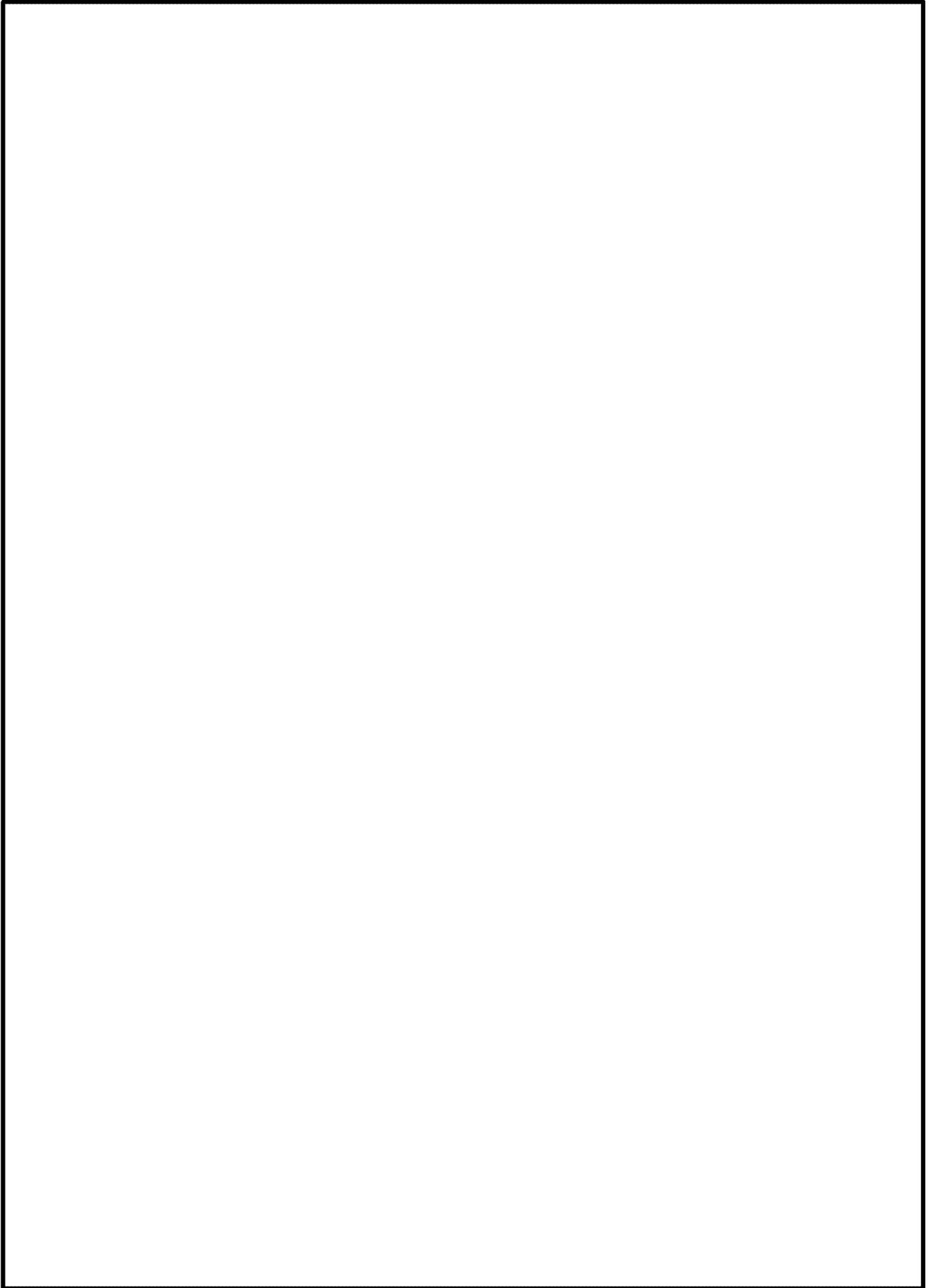
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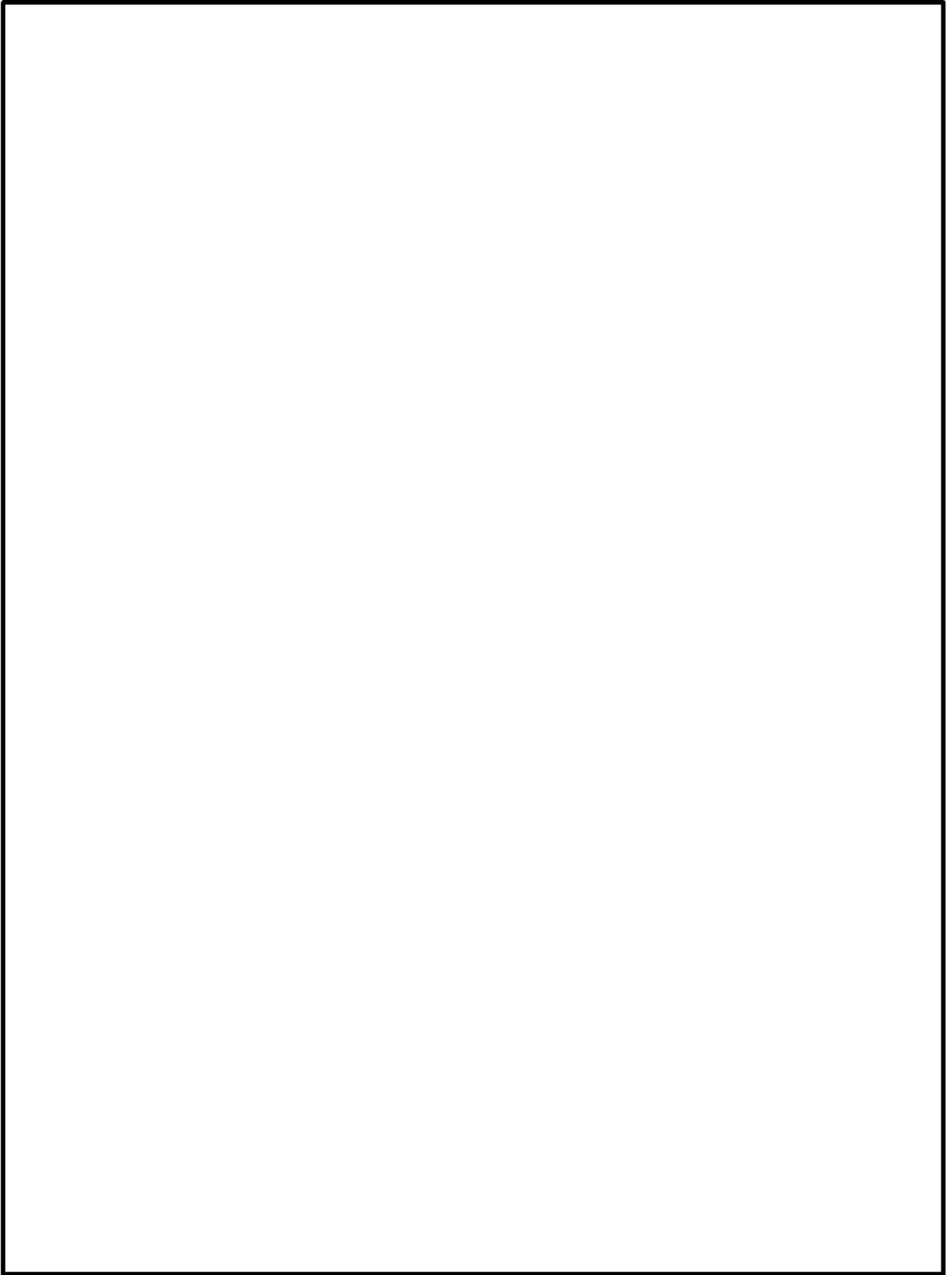
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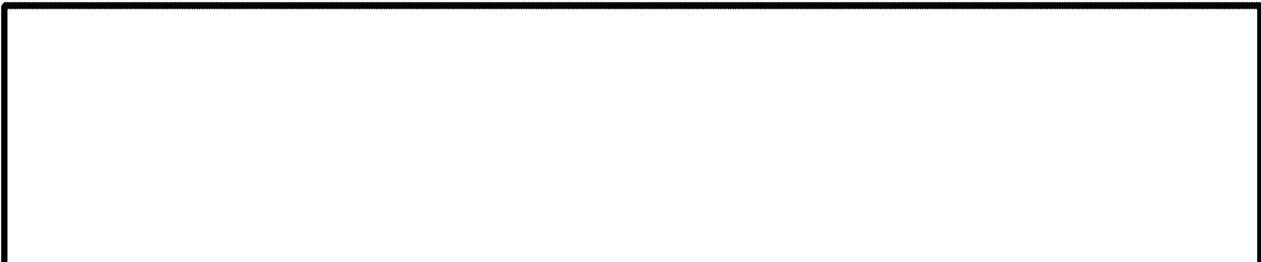


**ARTICLE VI**

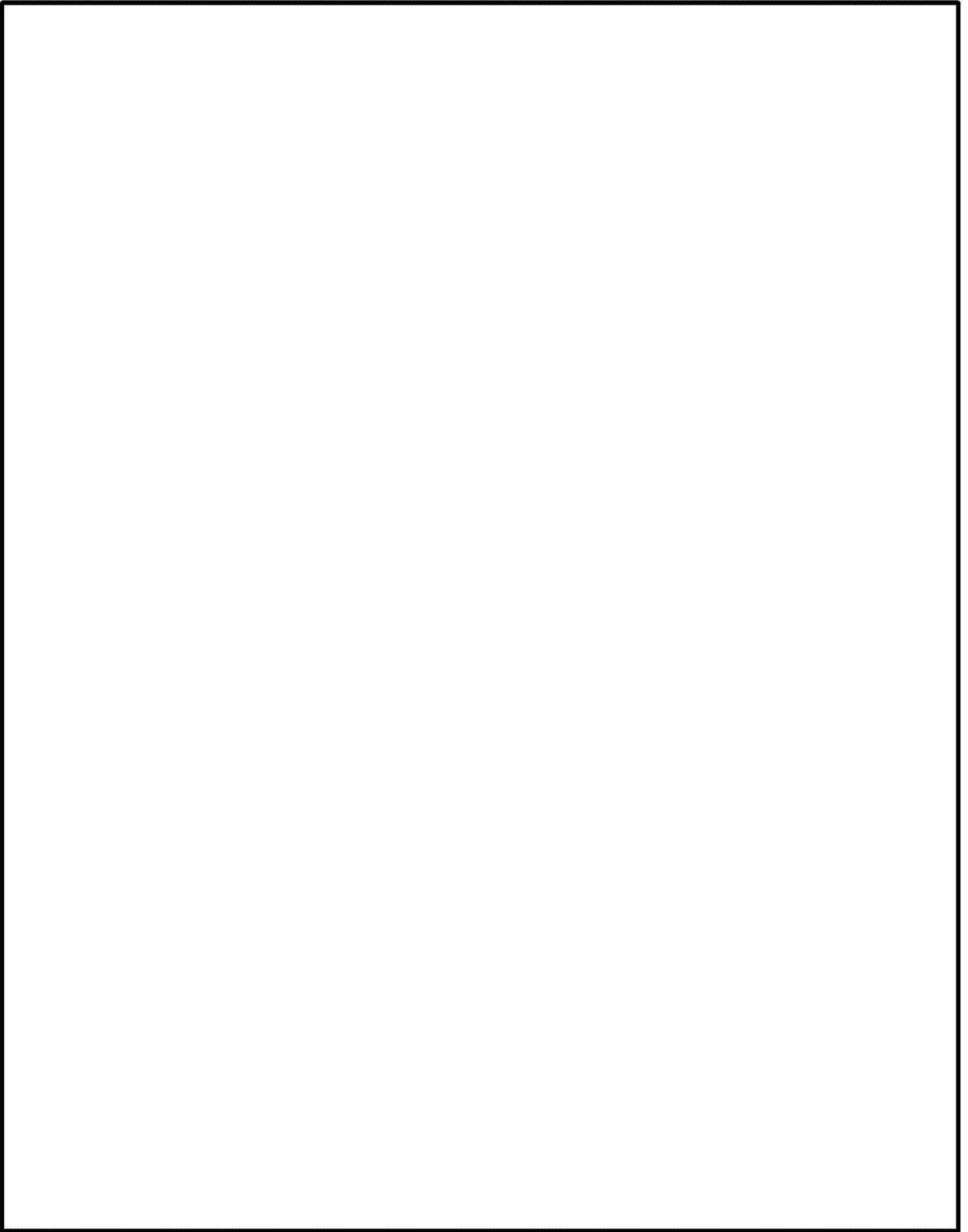
**RIGHTS AND OBLIGATIONS OF THE INTEREST OWNERS**

**6.01 List of the Interest Owners.** Upon the written request of any Interest Owner, the Managing Partner shall provide a list showing the names, addresses, and interests and Transferable Interests of all Interest Owners.

(b)(4)

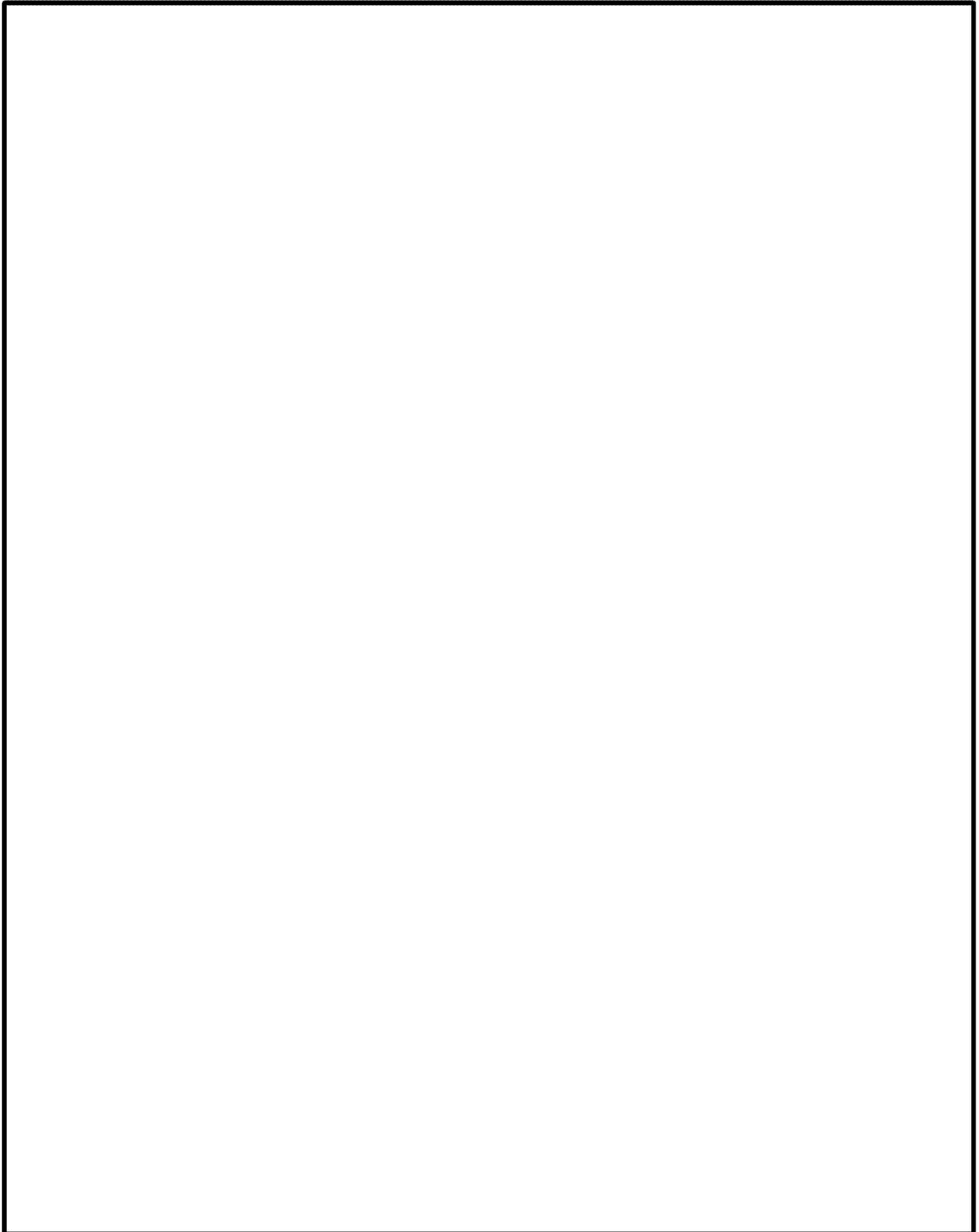


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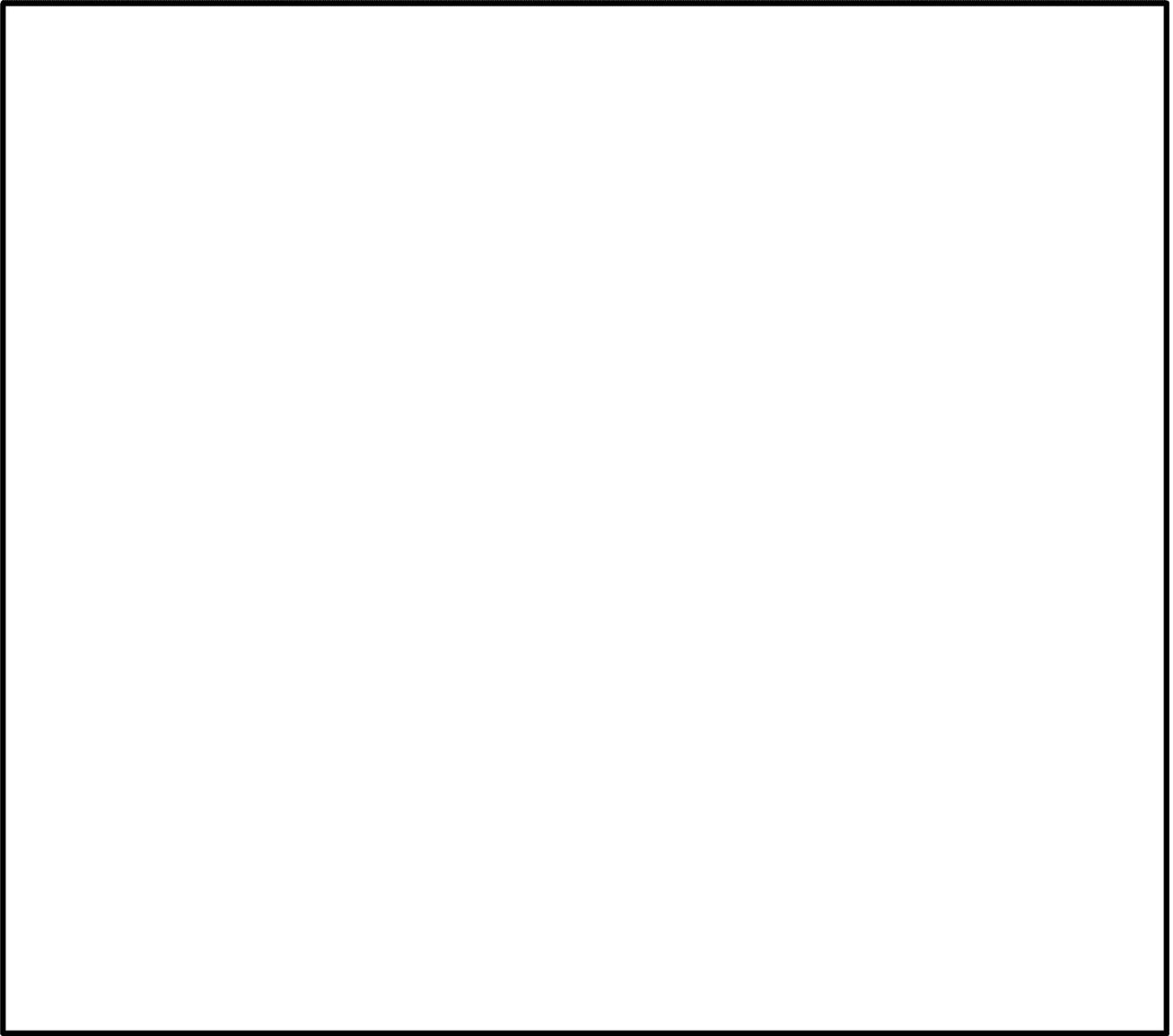


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**ARTICLE VII**  
**MEETINGS OF THE PARTNERS**



(b)(4)



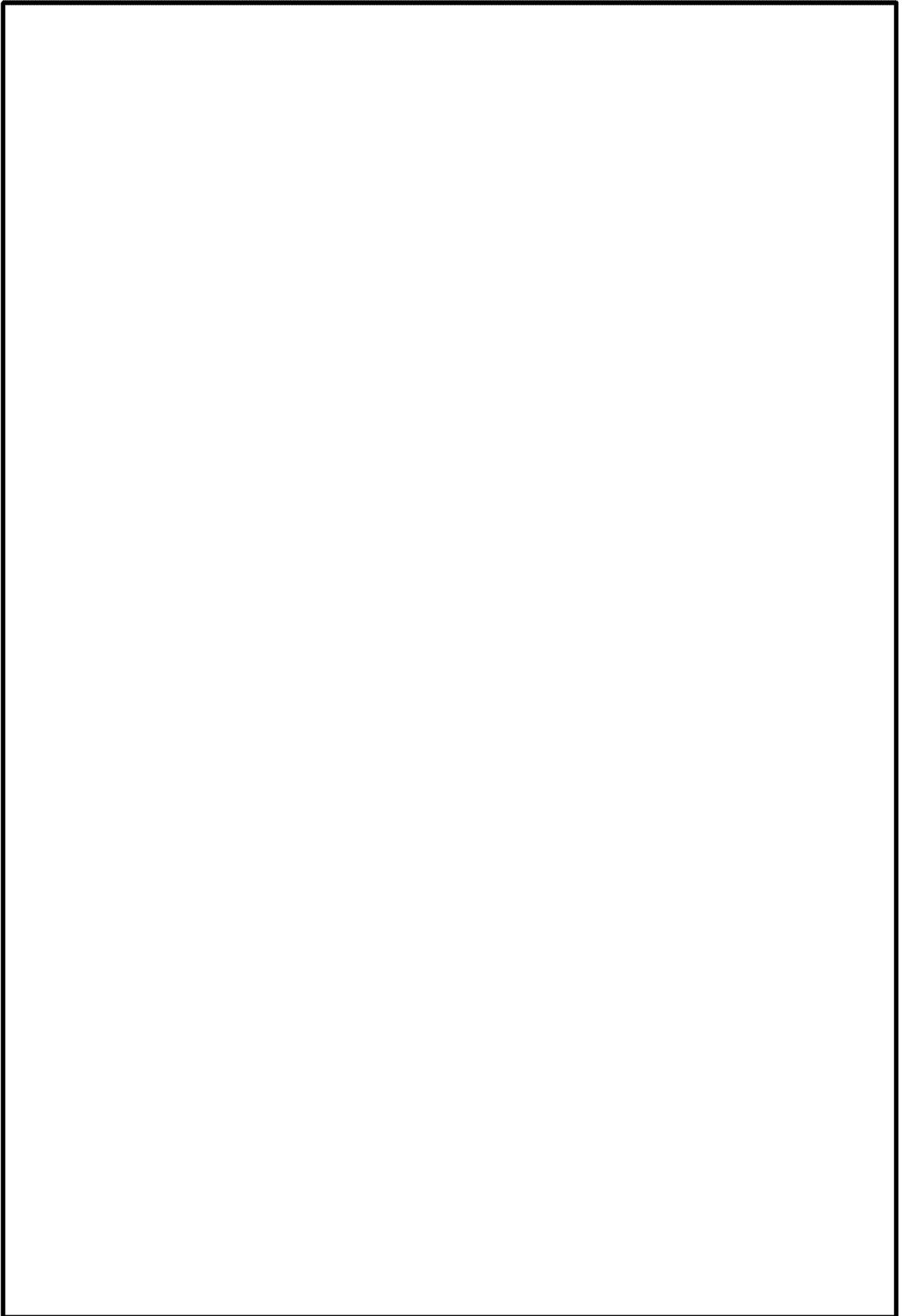
**ARTICLE VIII**

**CONTRIBUTIONS TO THE PARTNERSHIP AND CAPITAL ACCOUNTS**

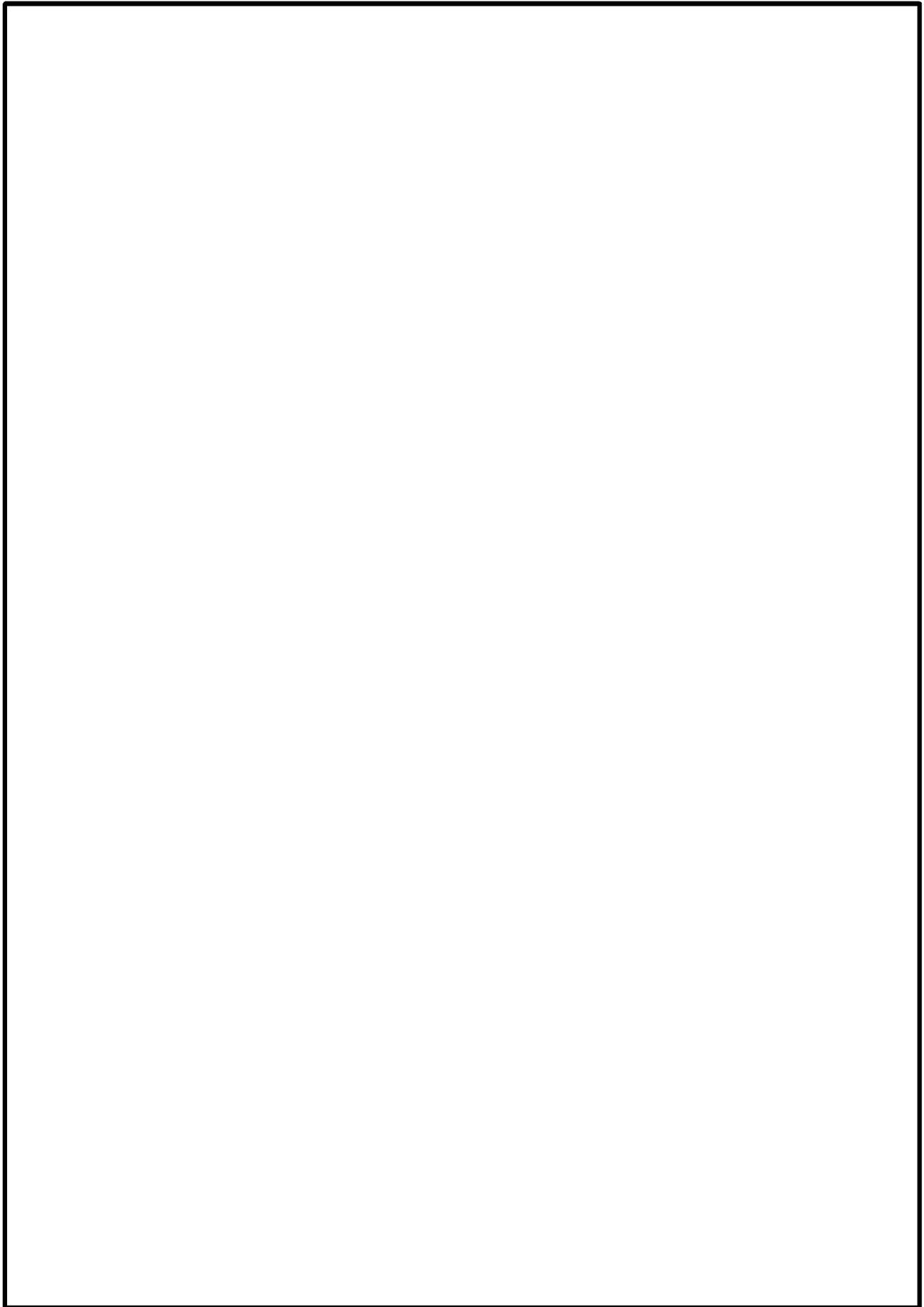
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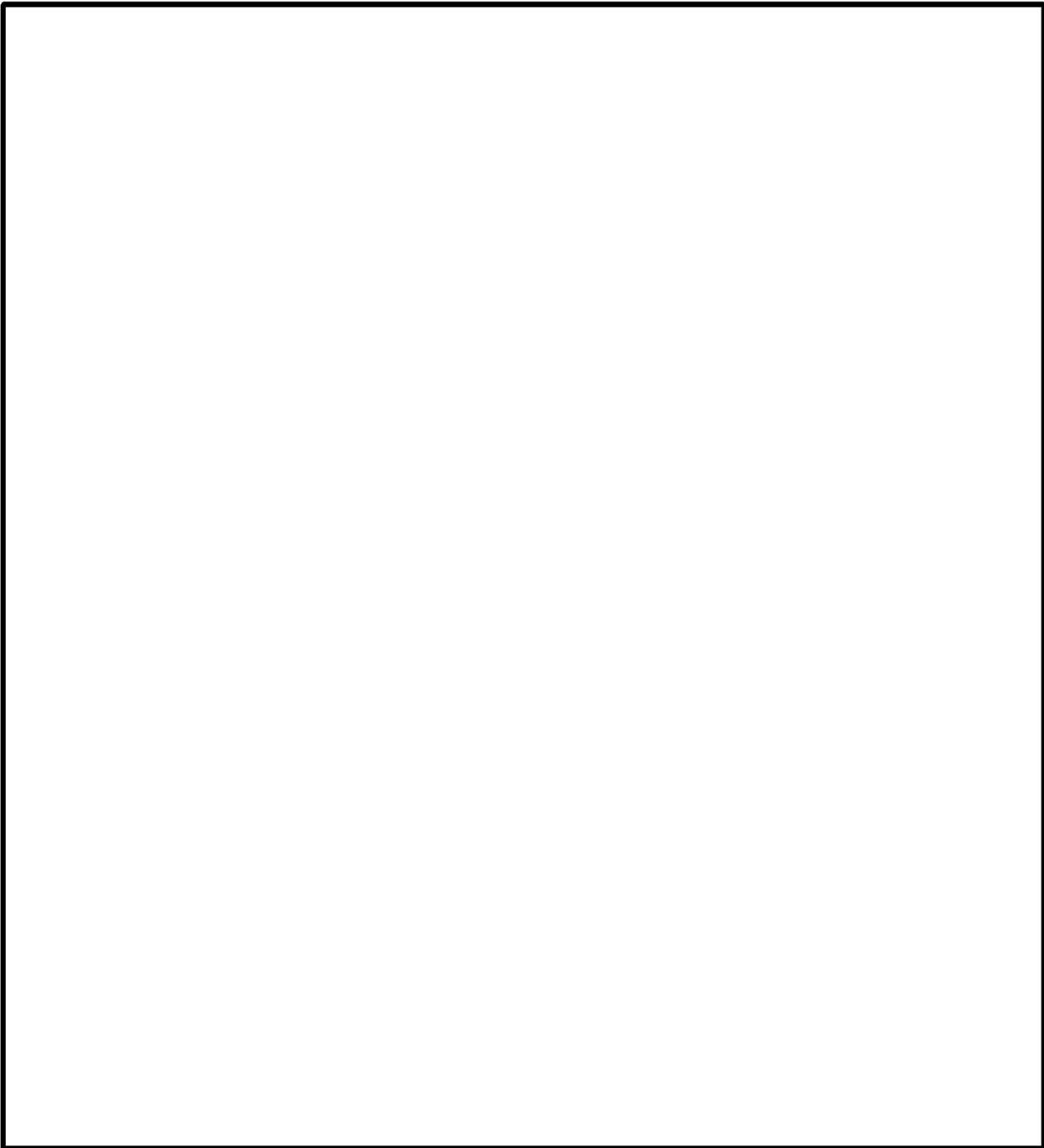
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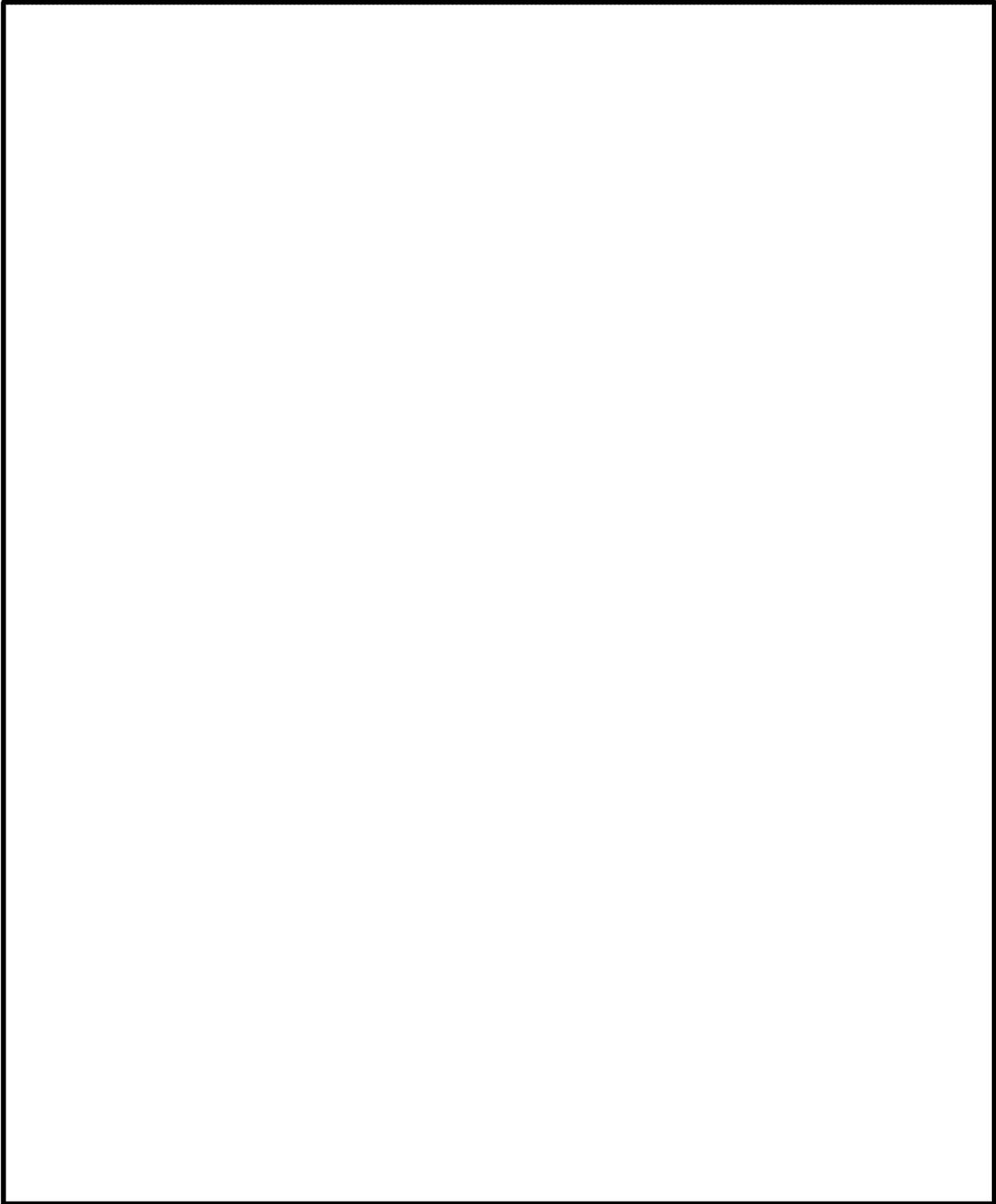


**ARTICLE IX  
DISTRIBUTIONS**

(b)(4)



(b)(4)



**ARTICLE X  
ALLOCATIONS**

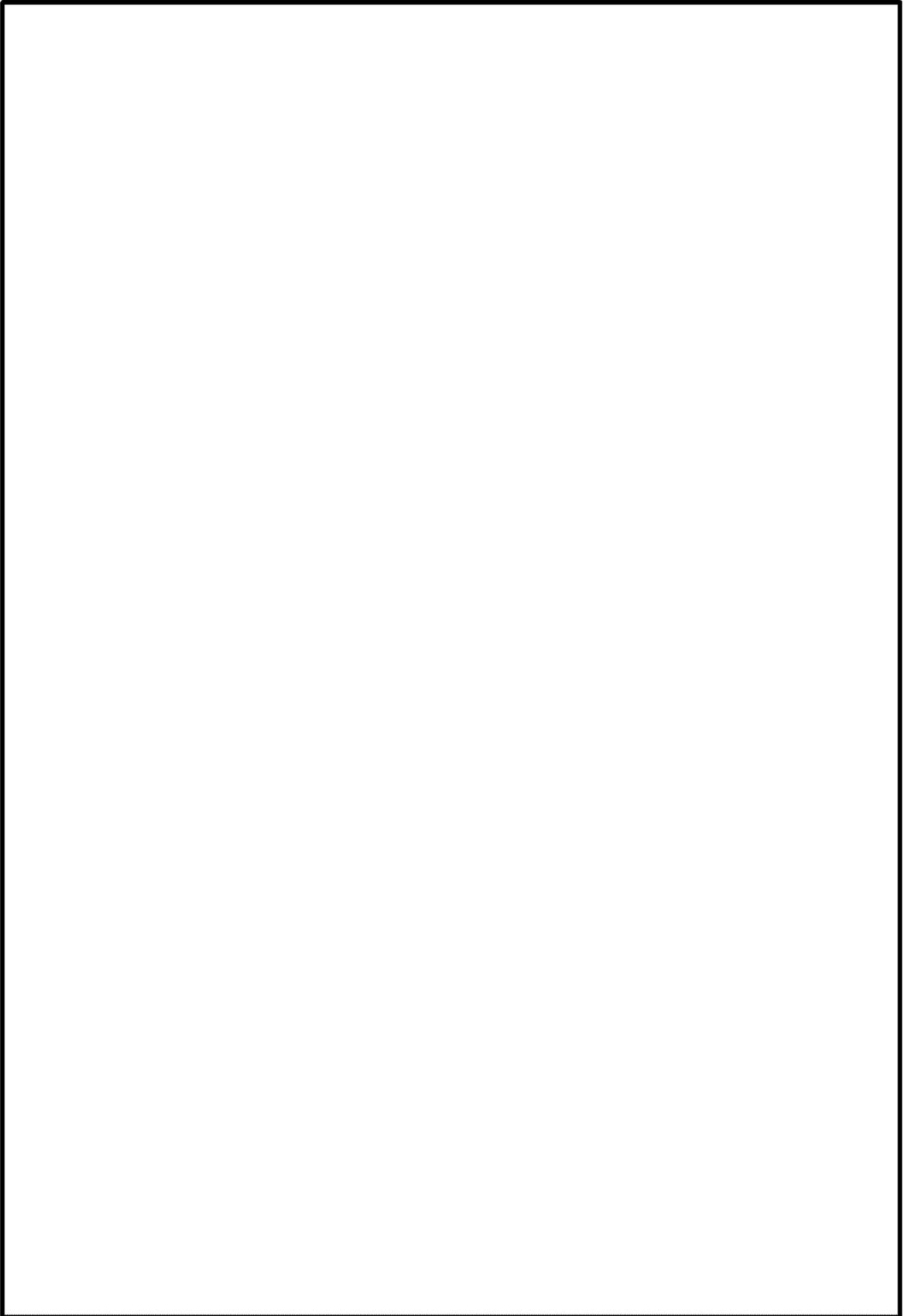
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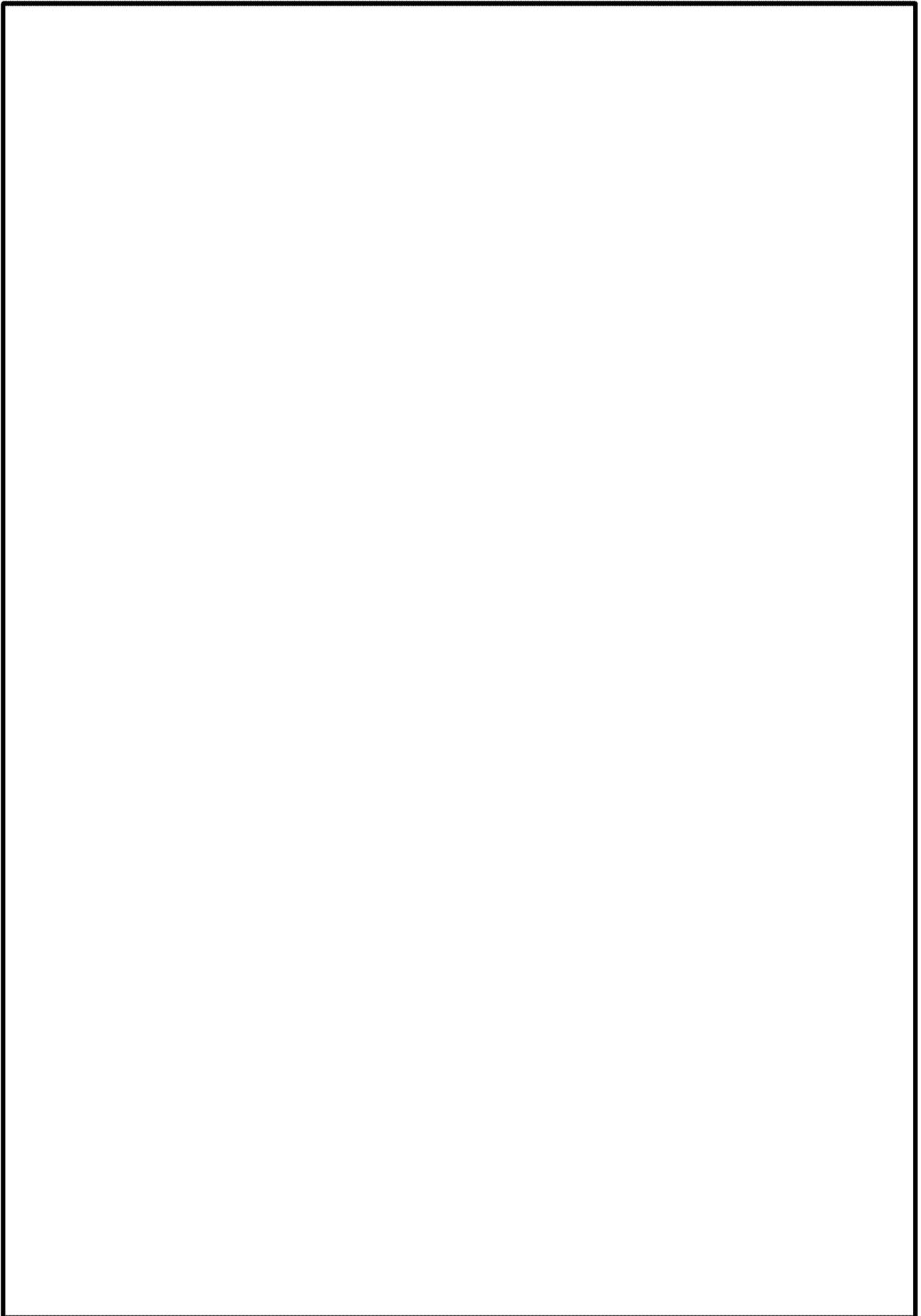
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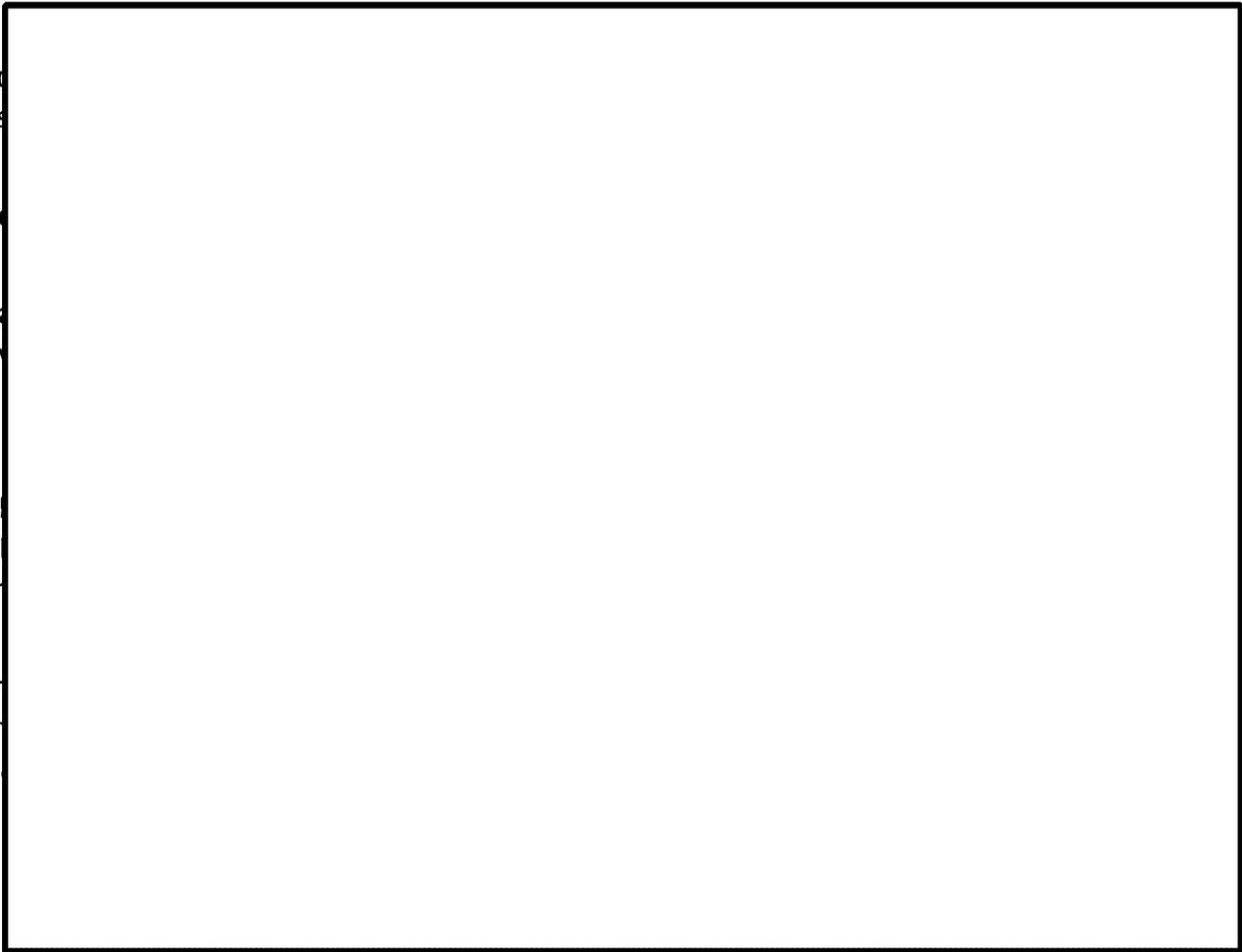
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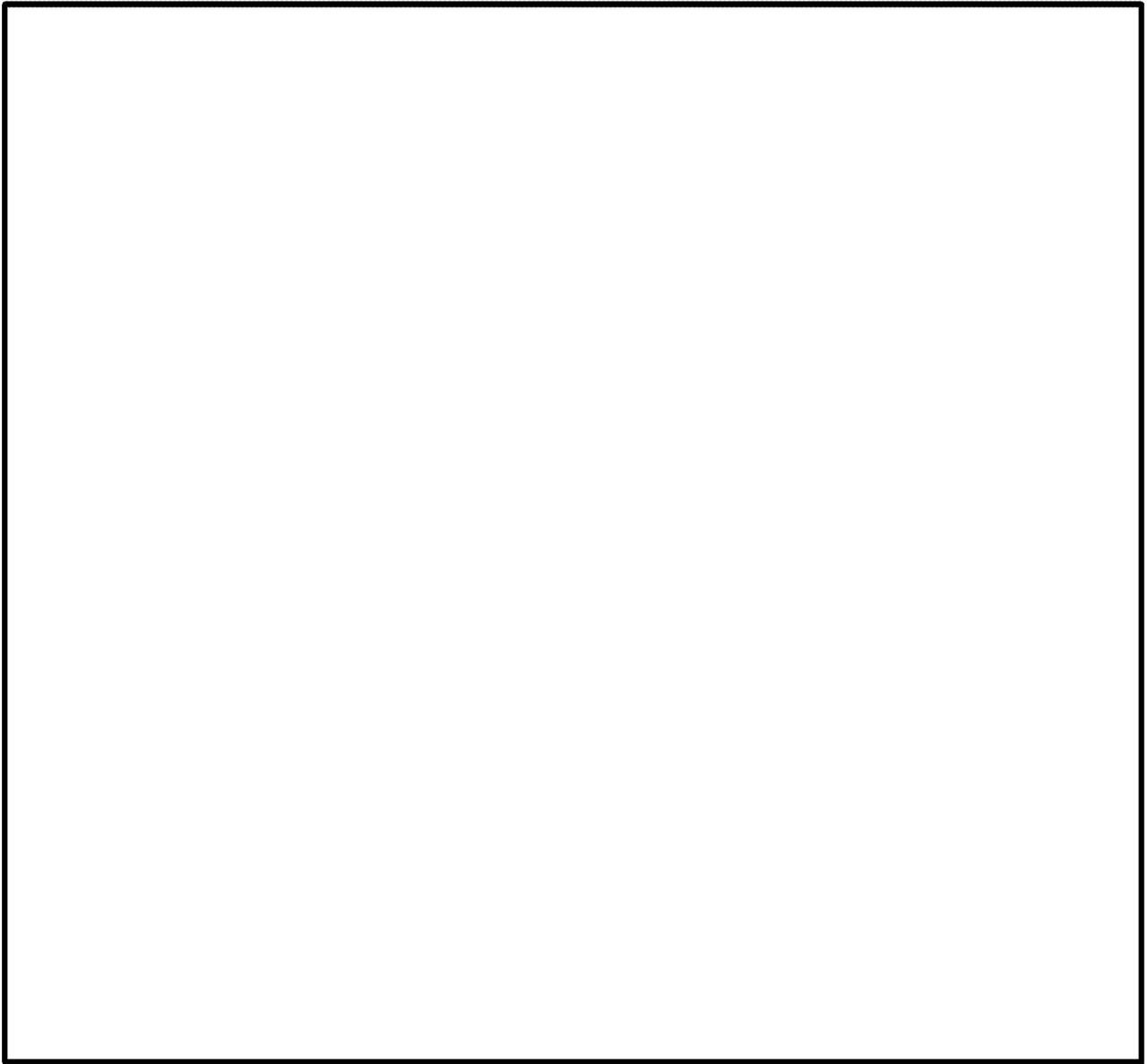
**ARTICLE XI**

(b)(4)

**ELECTIONS AND REPORTS**



(b)(4)

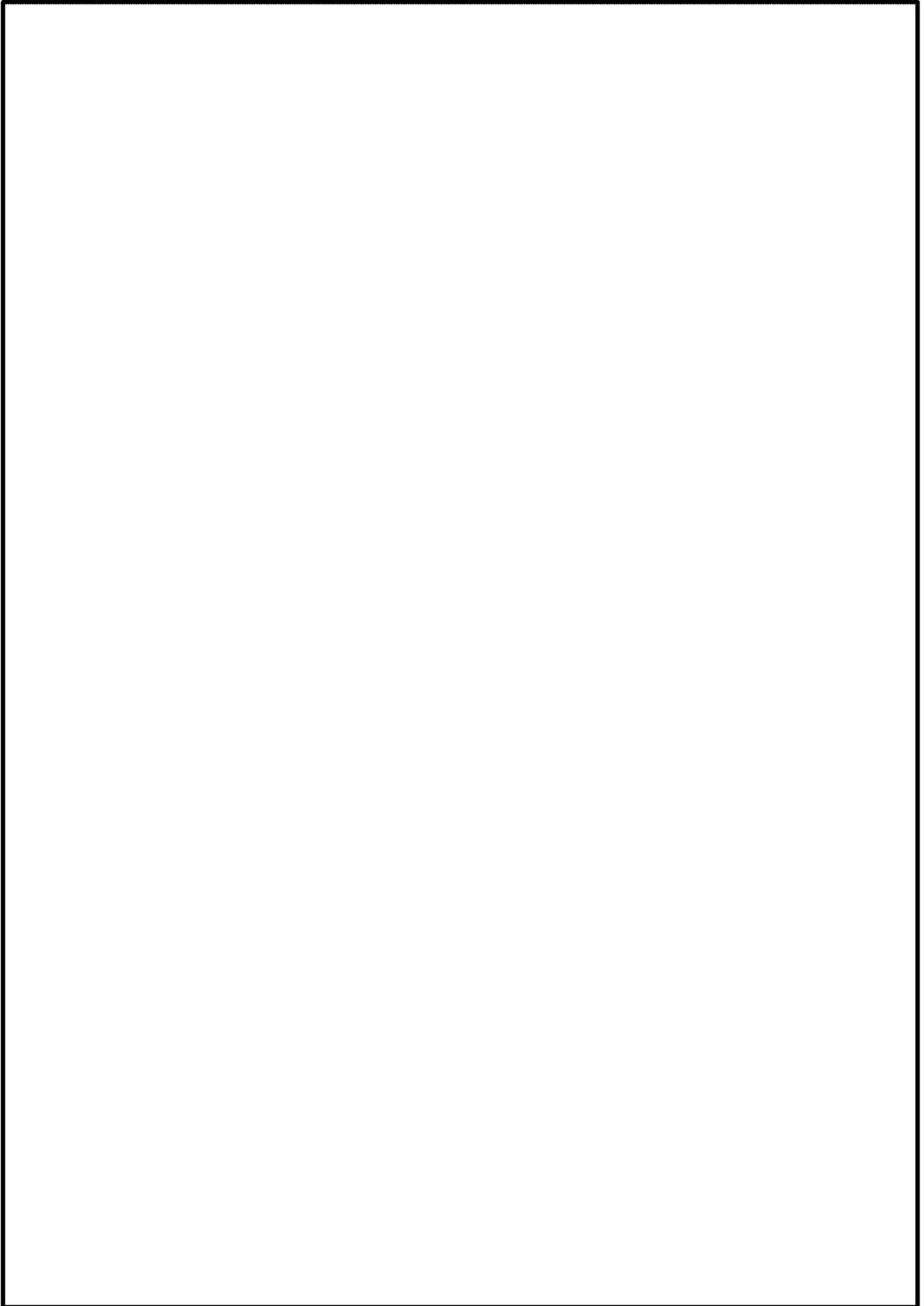


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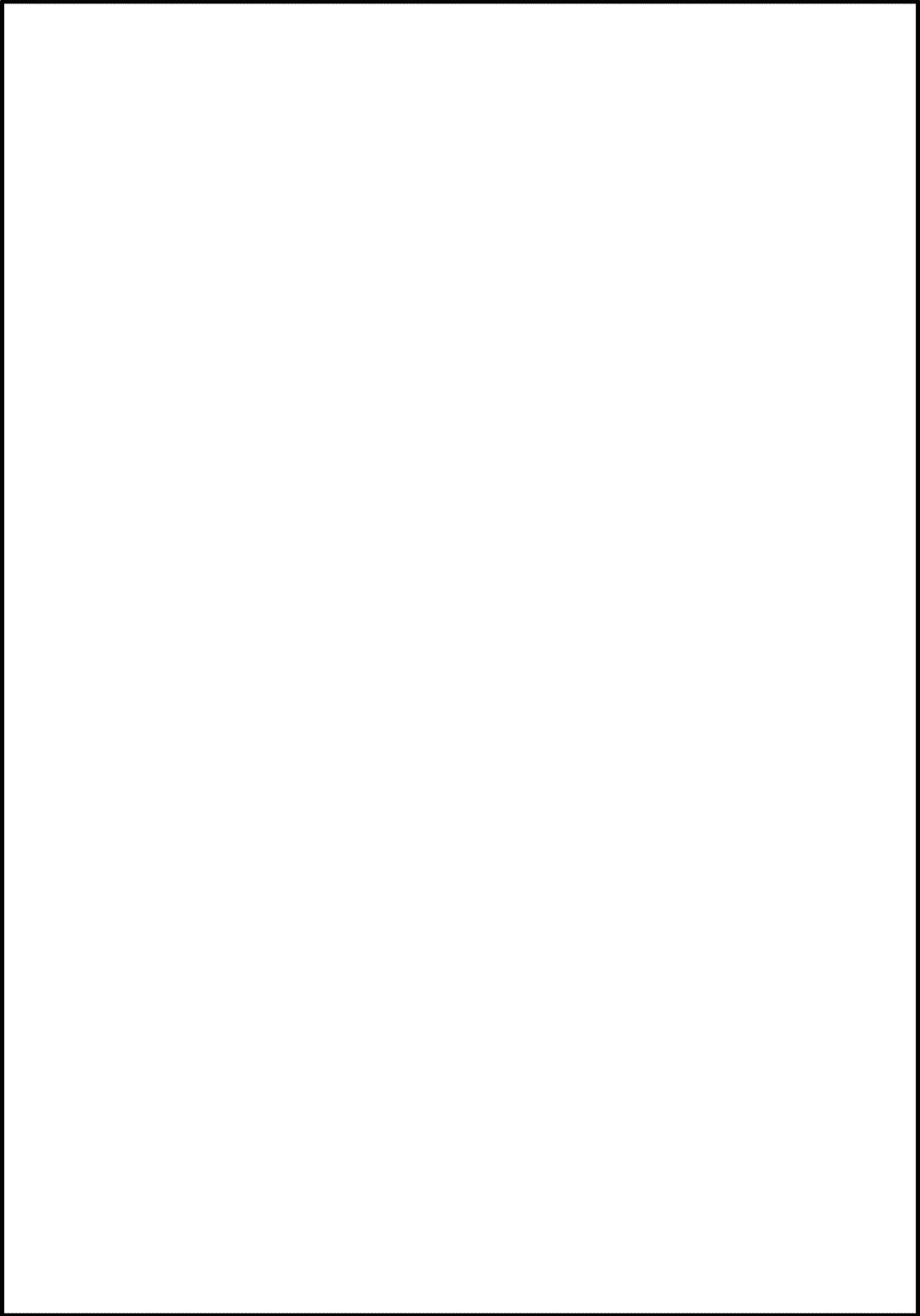
**ARTICLE XII  
TRANSFERABILITY**



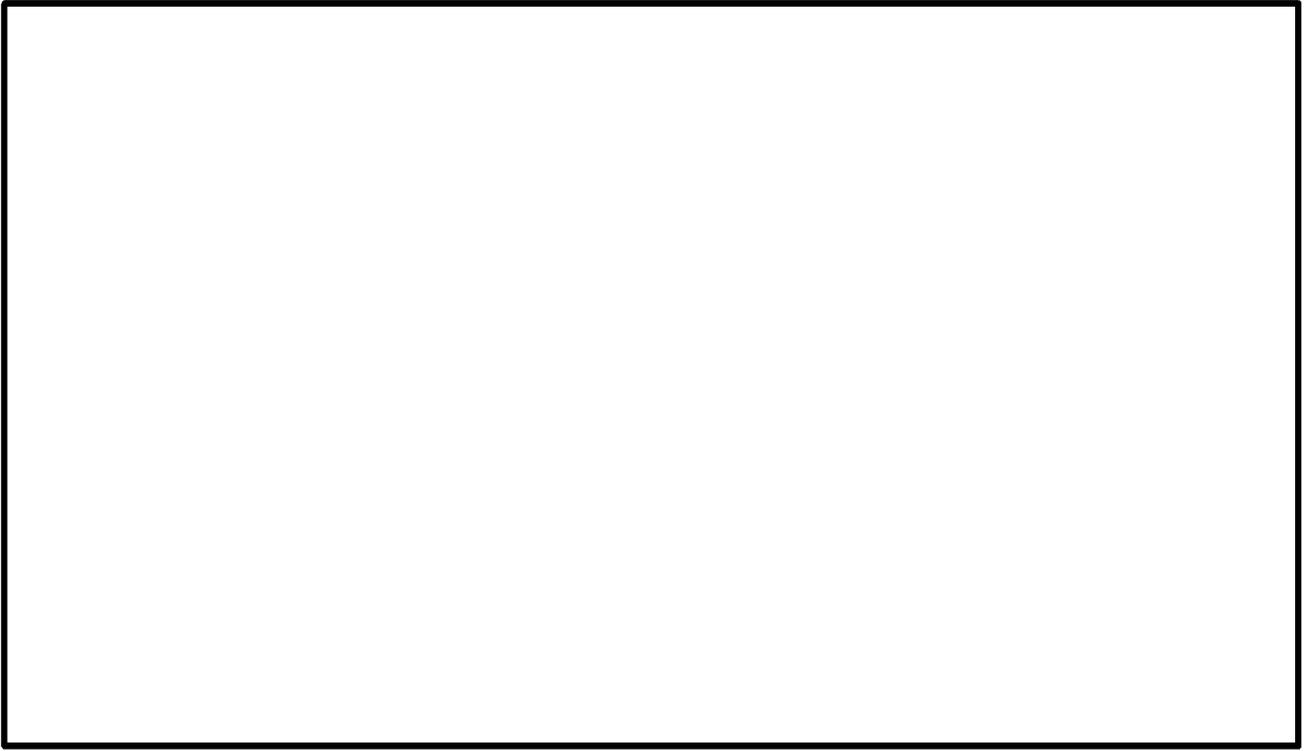
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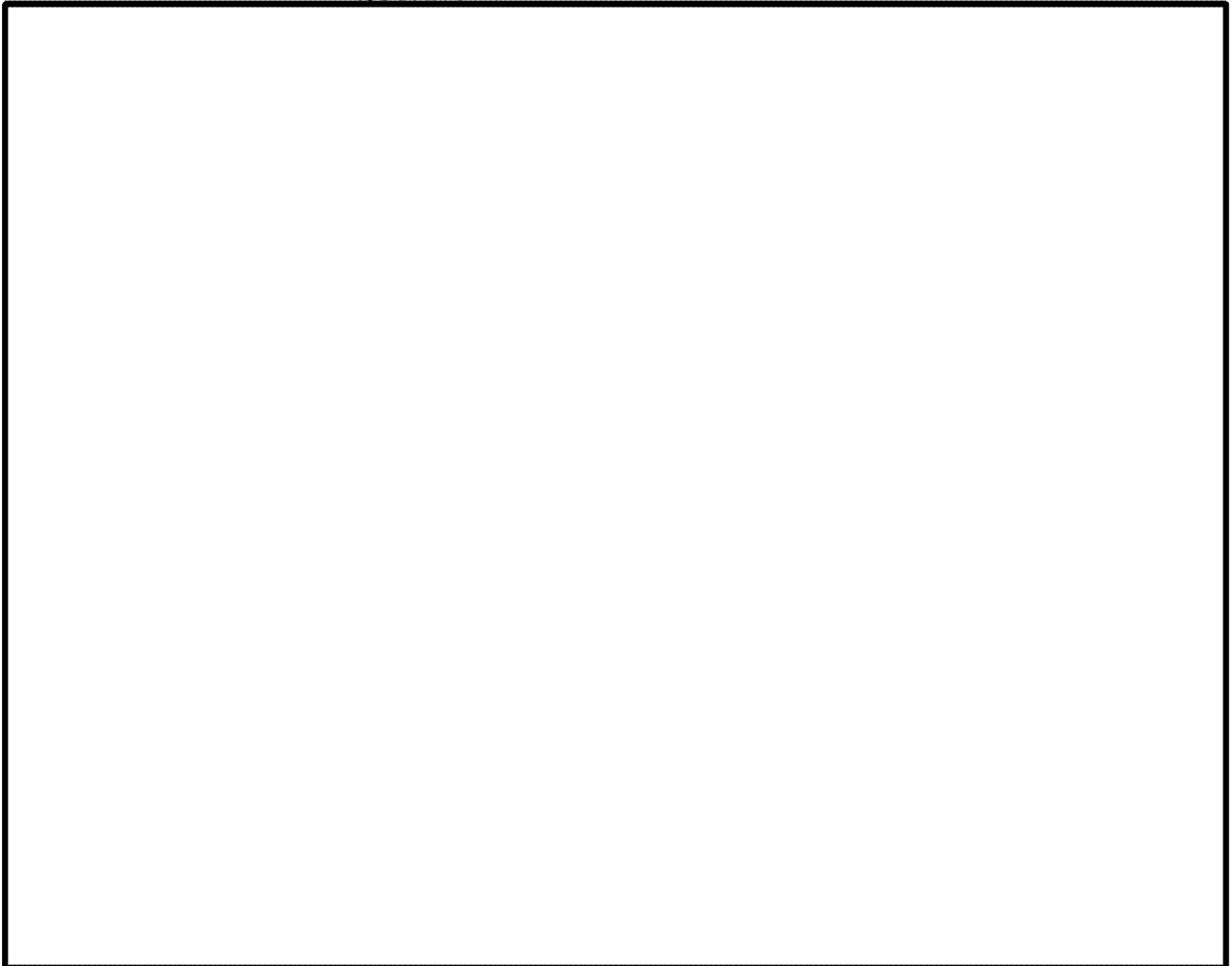
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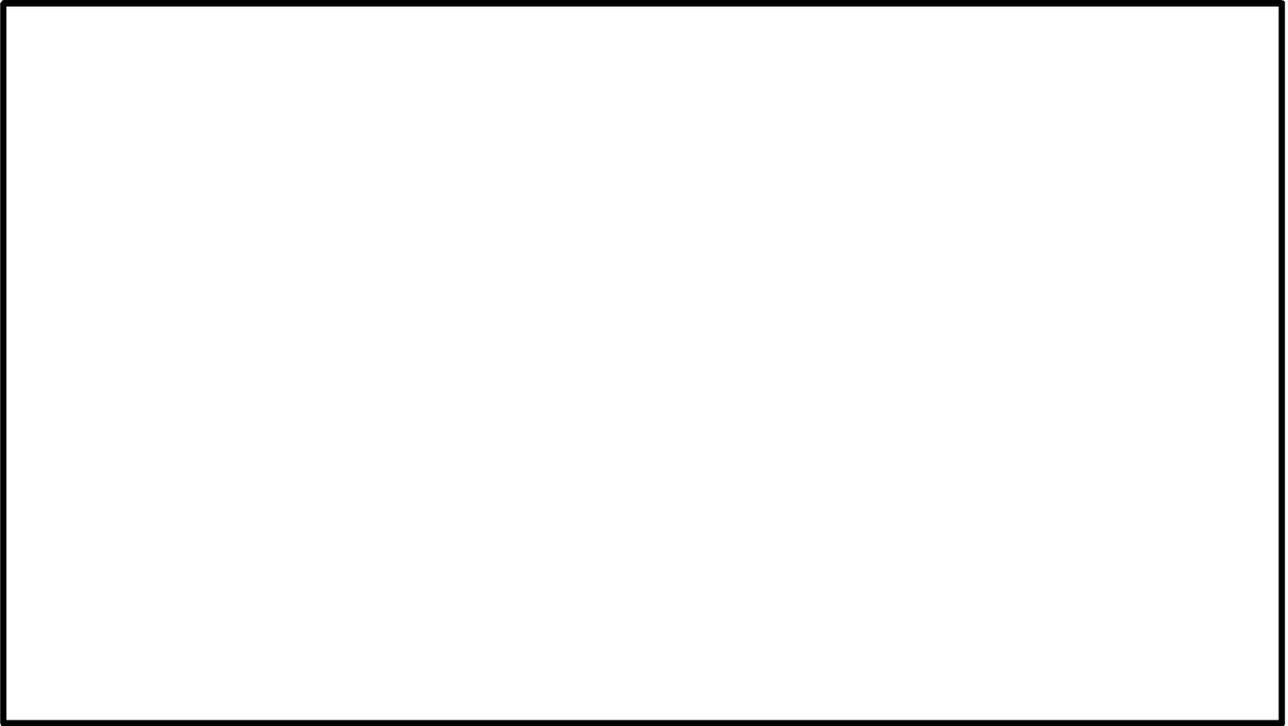
(b)(4)

**ARTICLE XIII**

**ISSUANCE OF PARTNERSHIP INTERESTS**

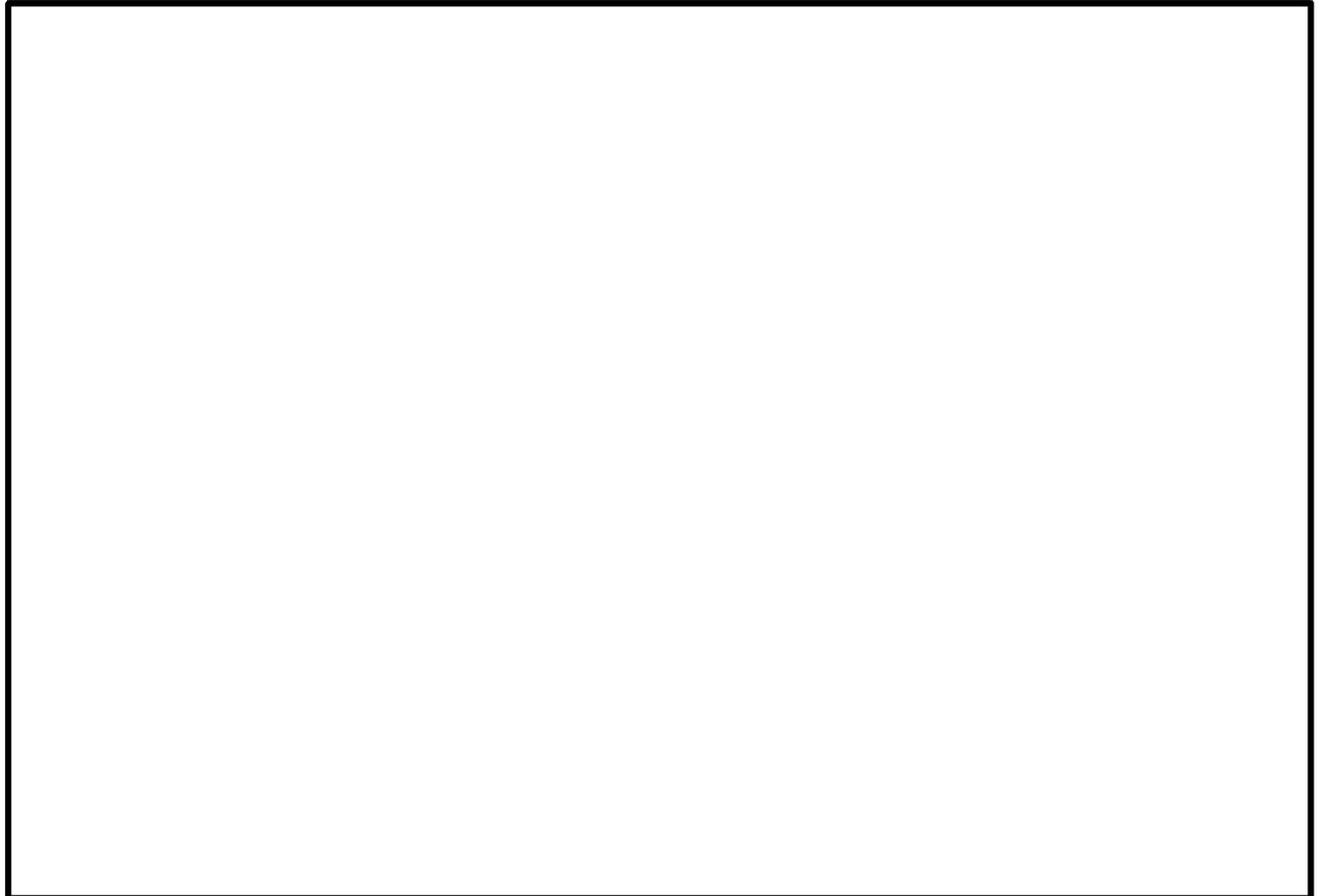


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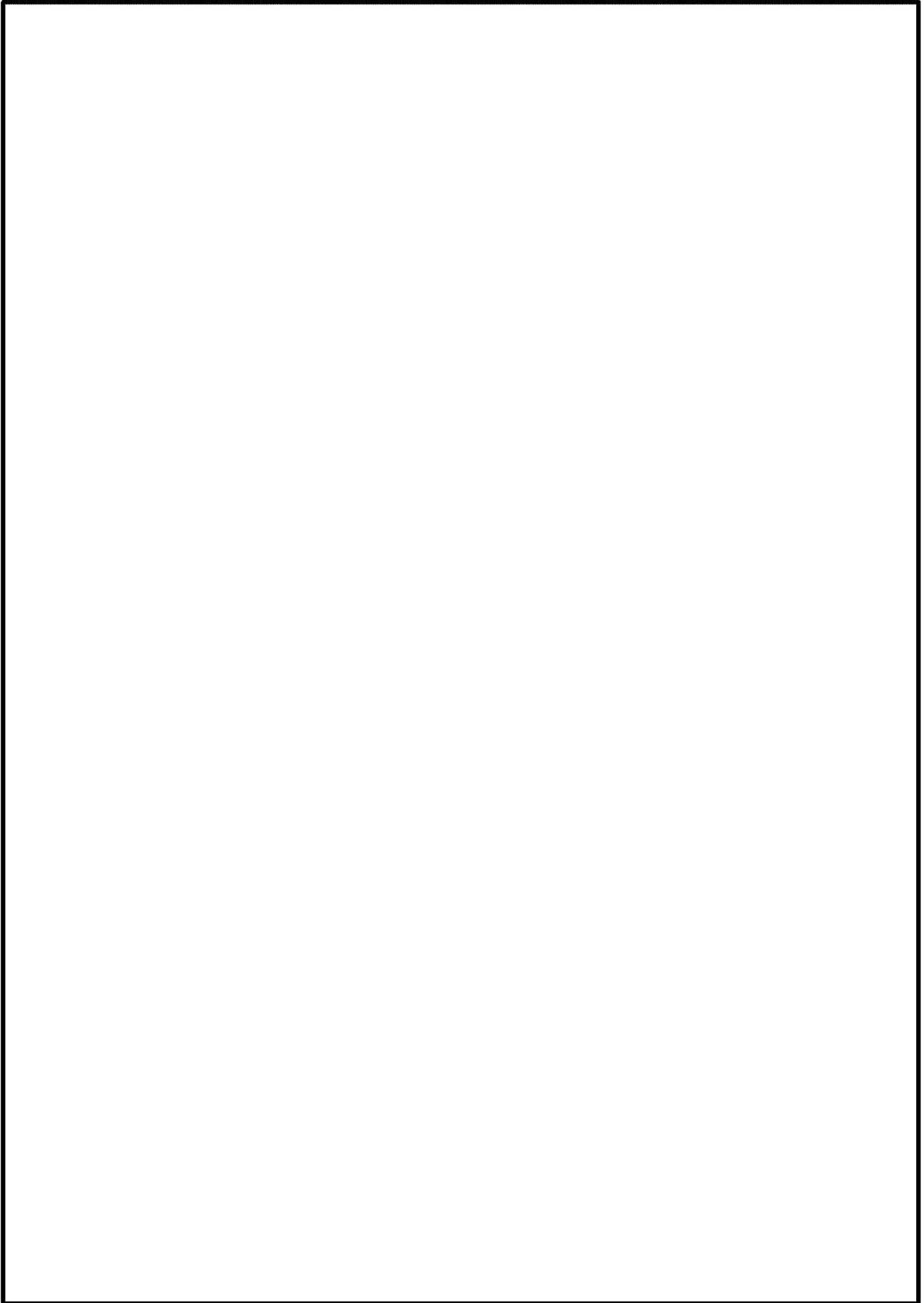


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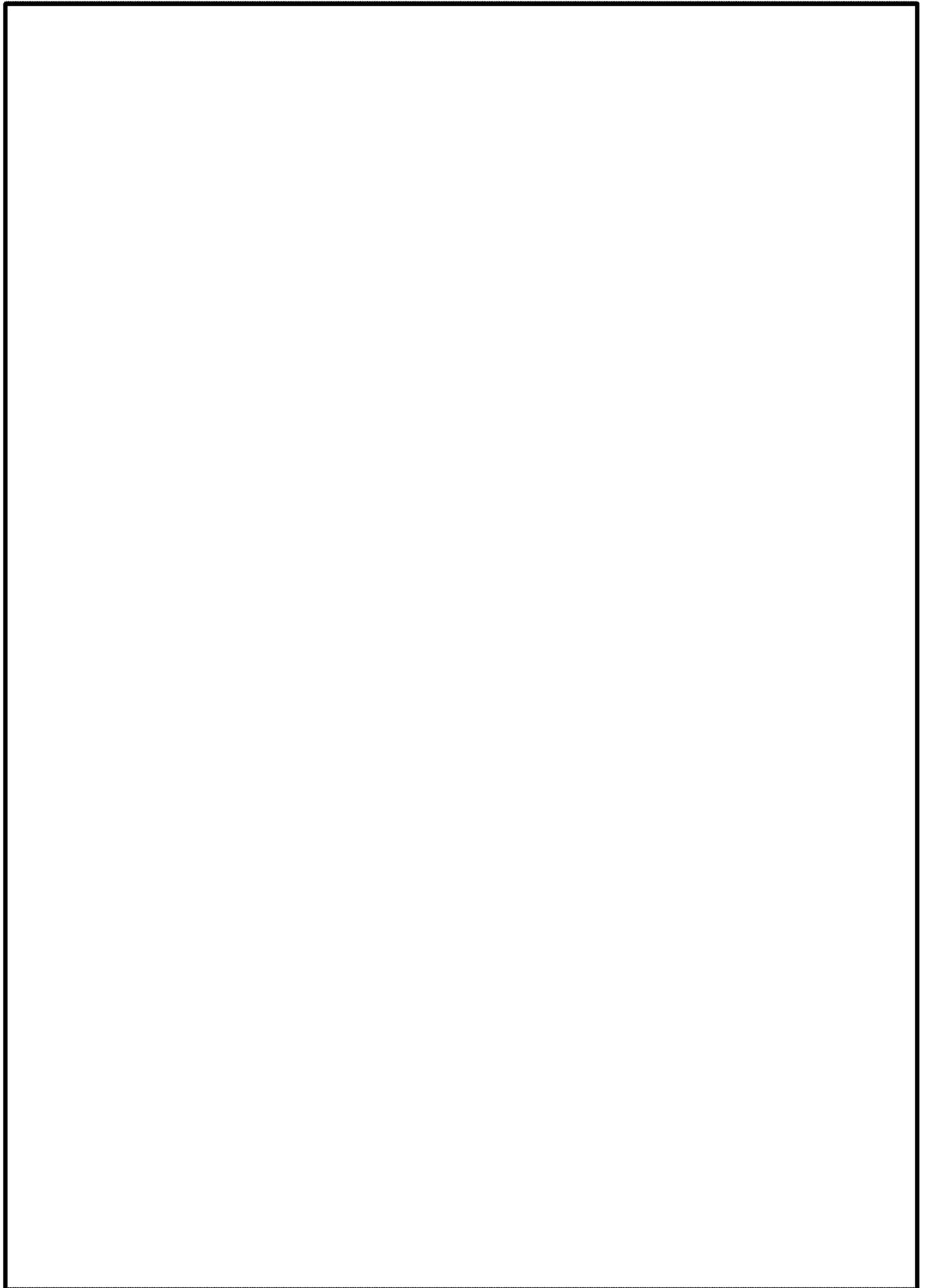
**ARTICLE XIV  
DISSOCIATION**



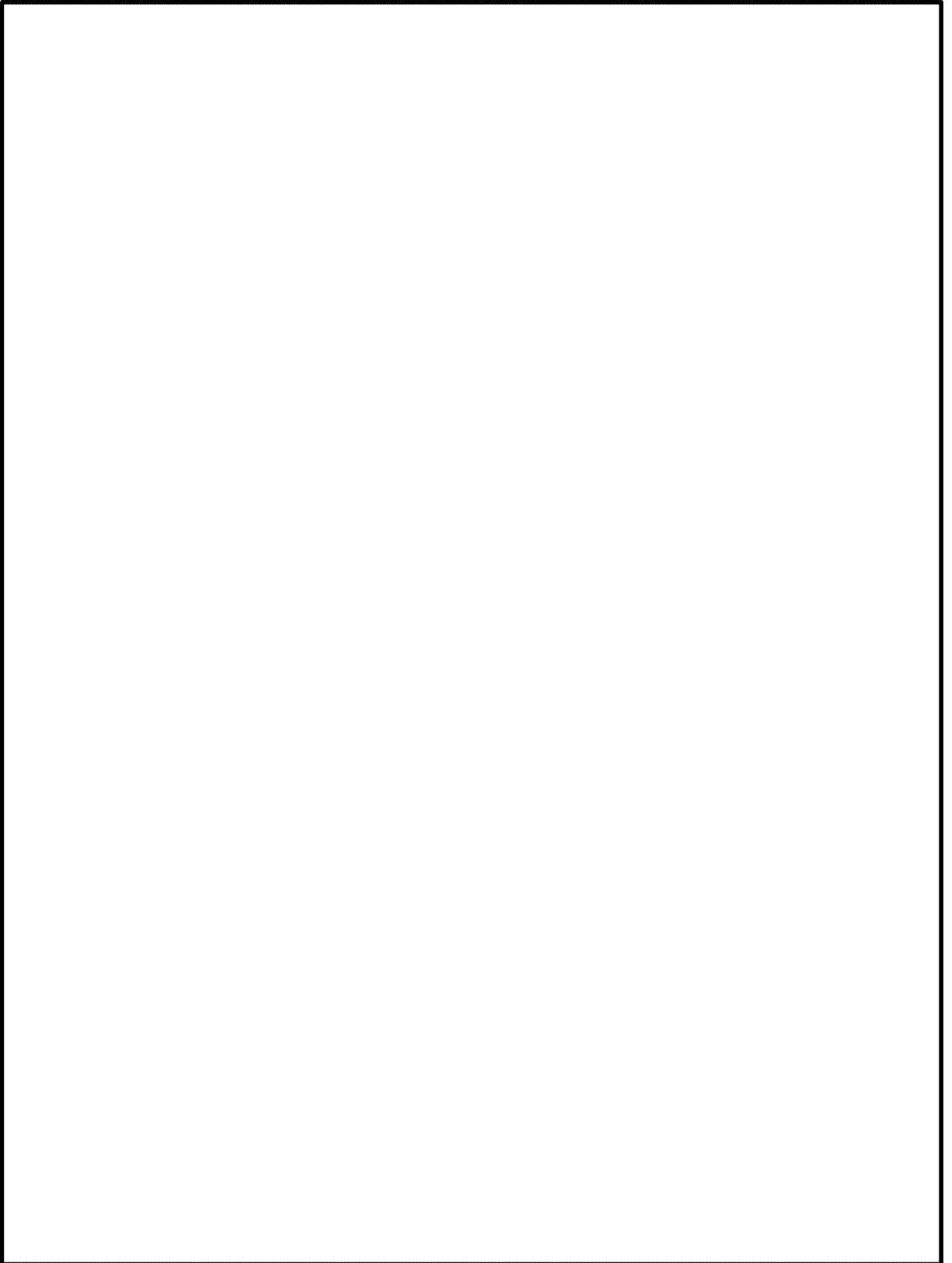
(b)(4)



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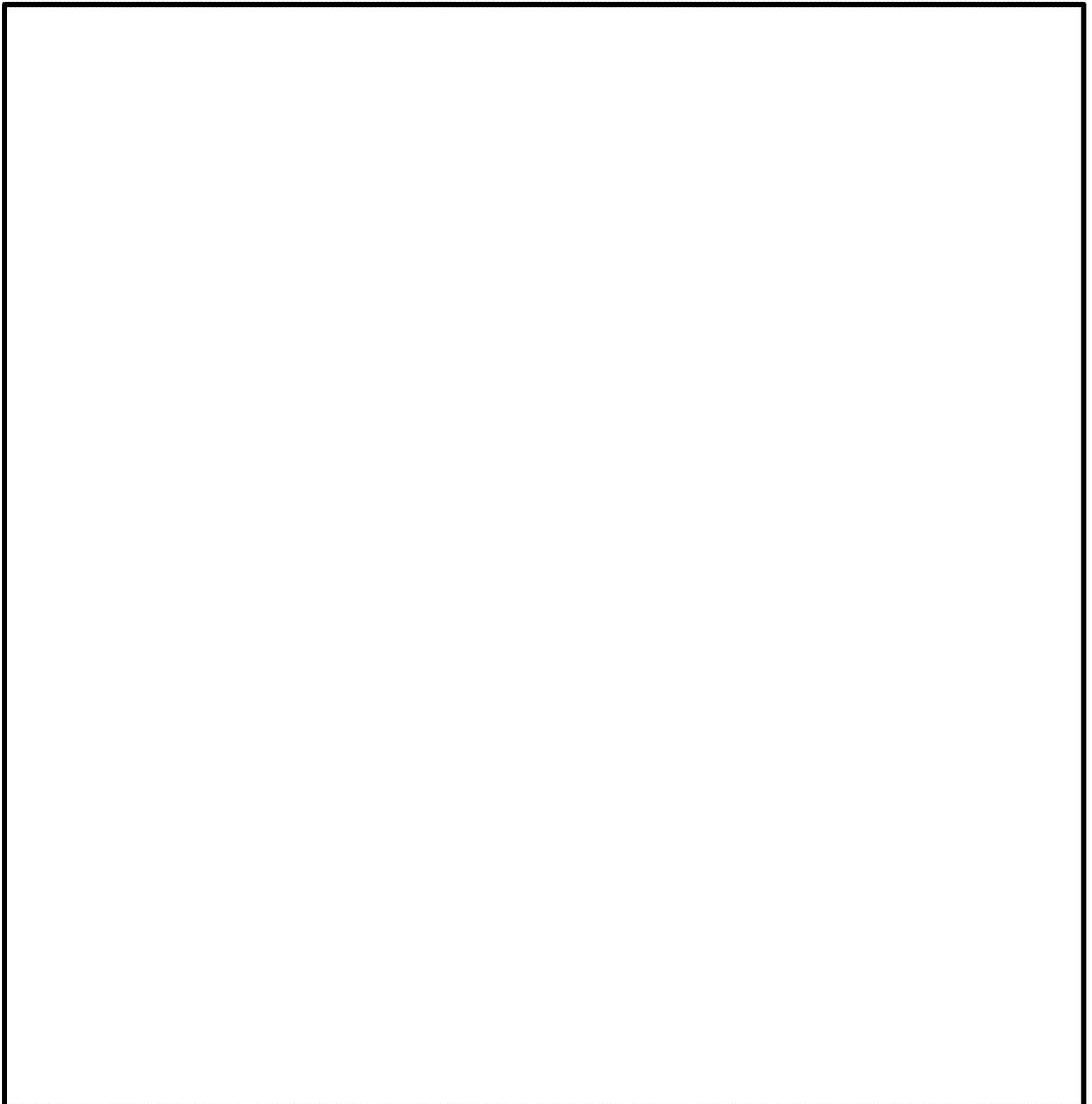
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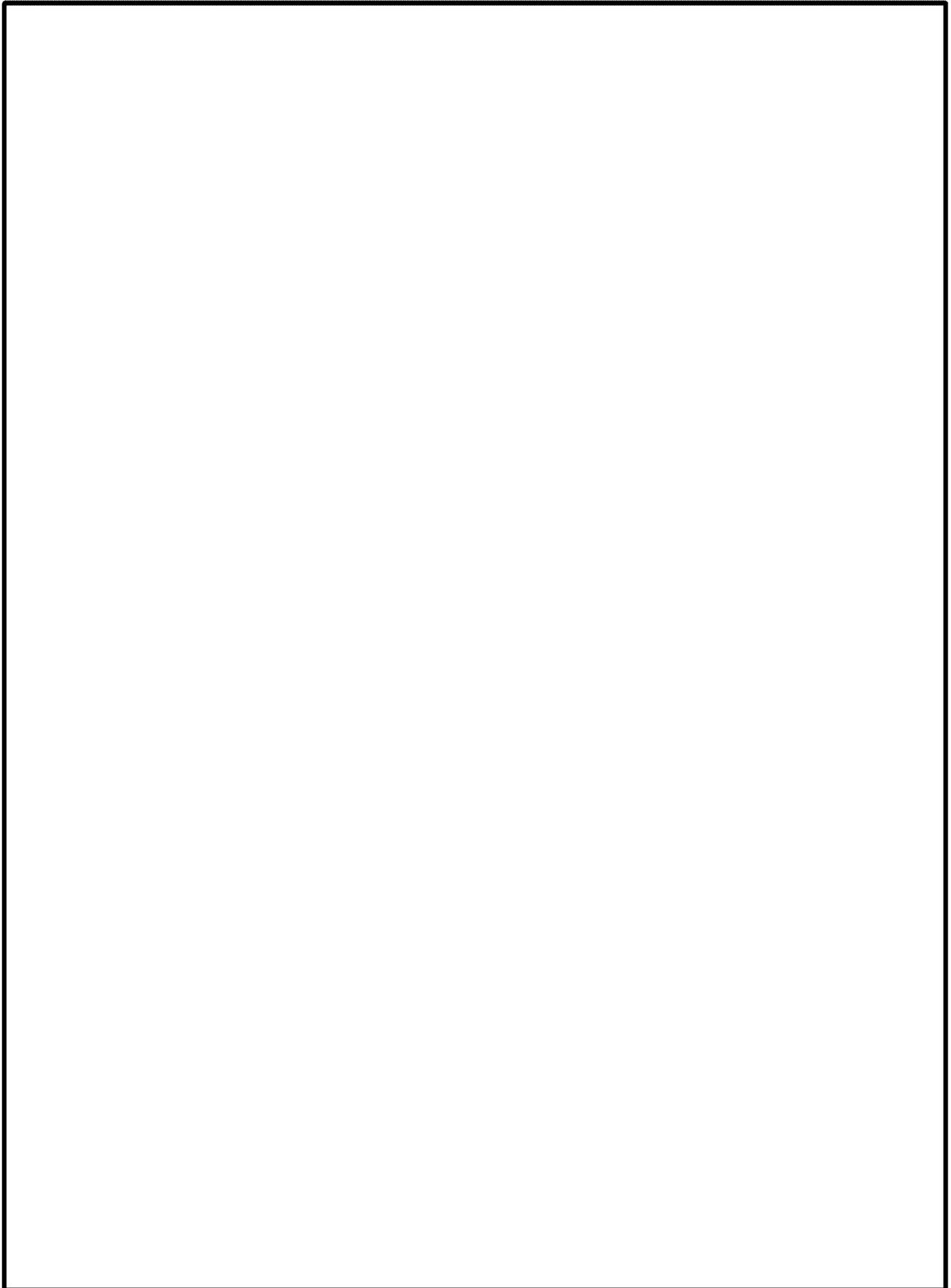
**ARTICLE XV**

**DISSOLUTION AND WINDING UP**

(b)(4)

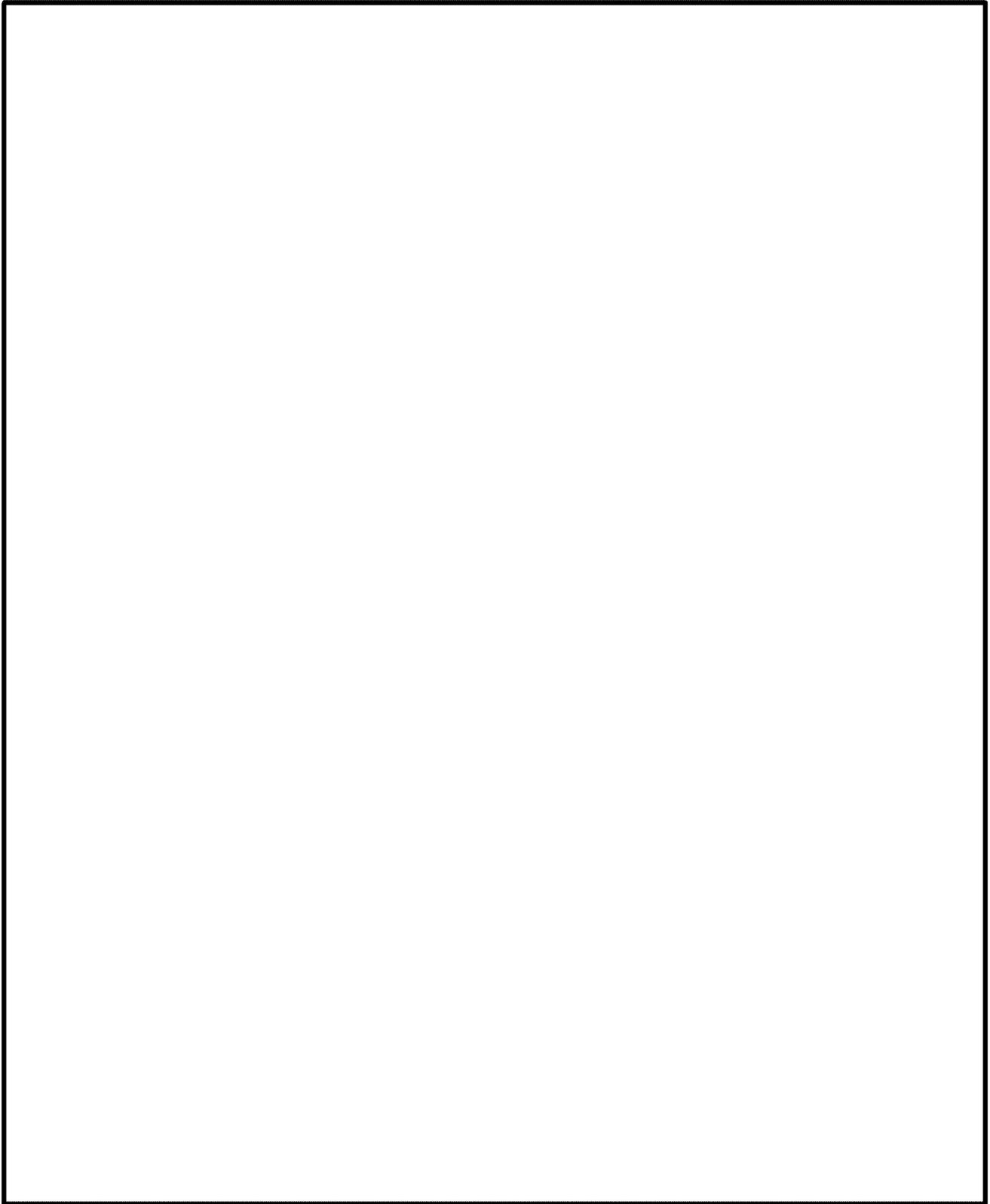


(b)(4)



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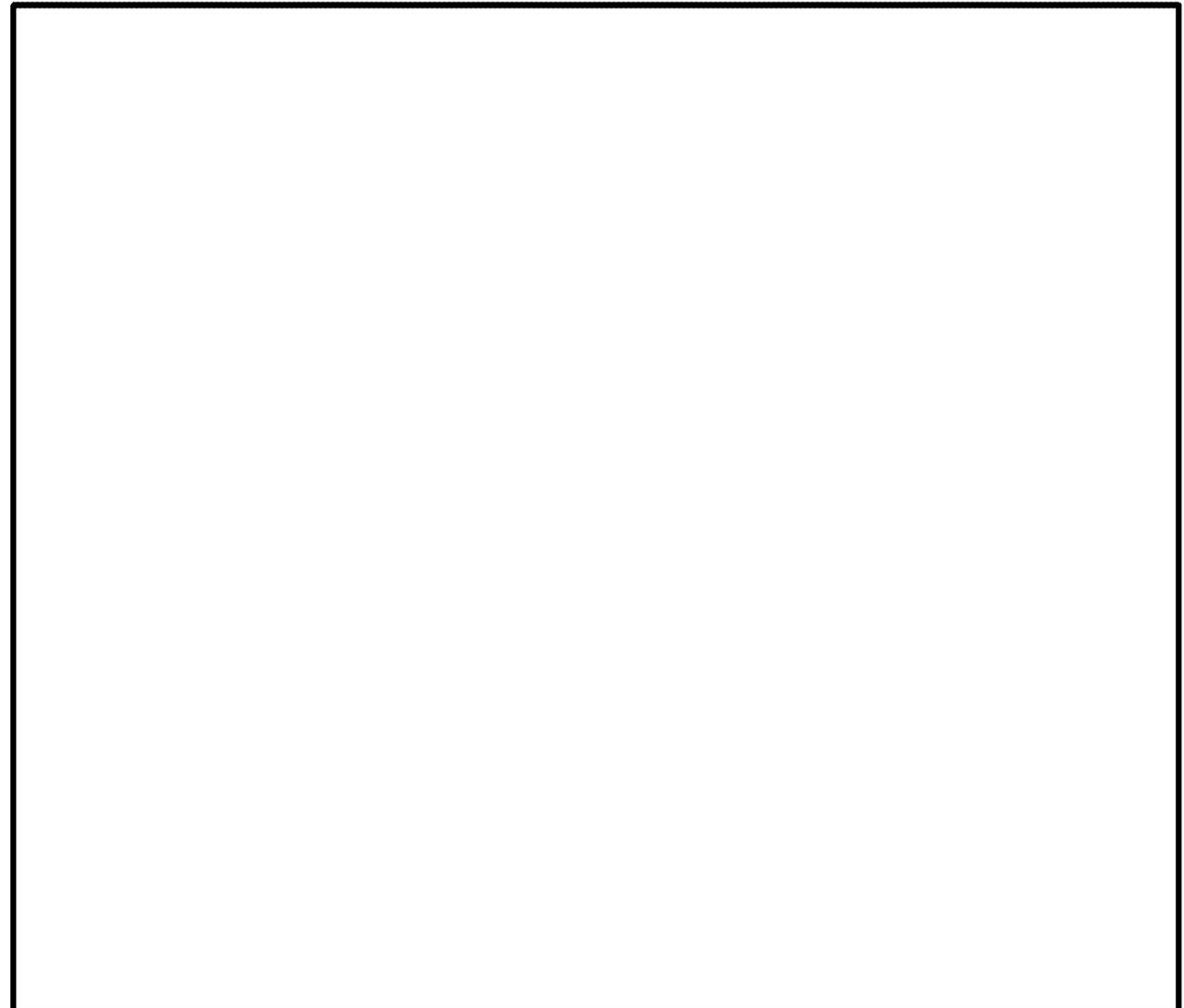
**ARTICLE XVI**  
**MISCELLANEOUS PROVISIONS**

(b)(4)

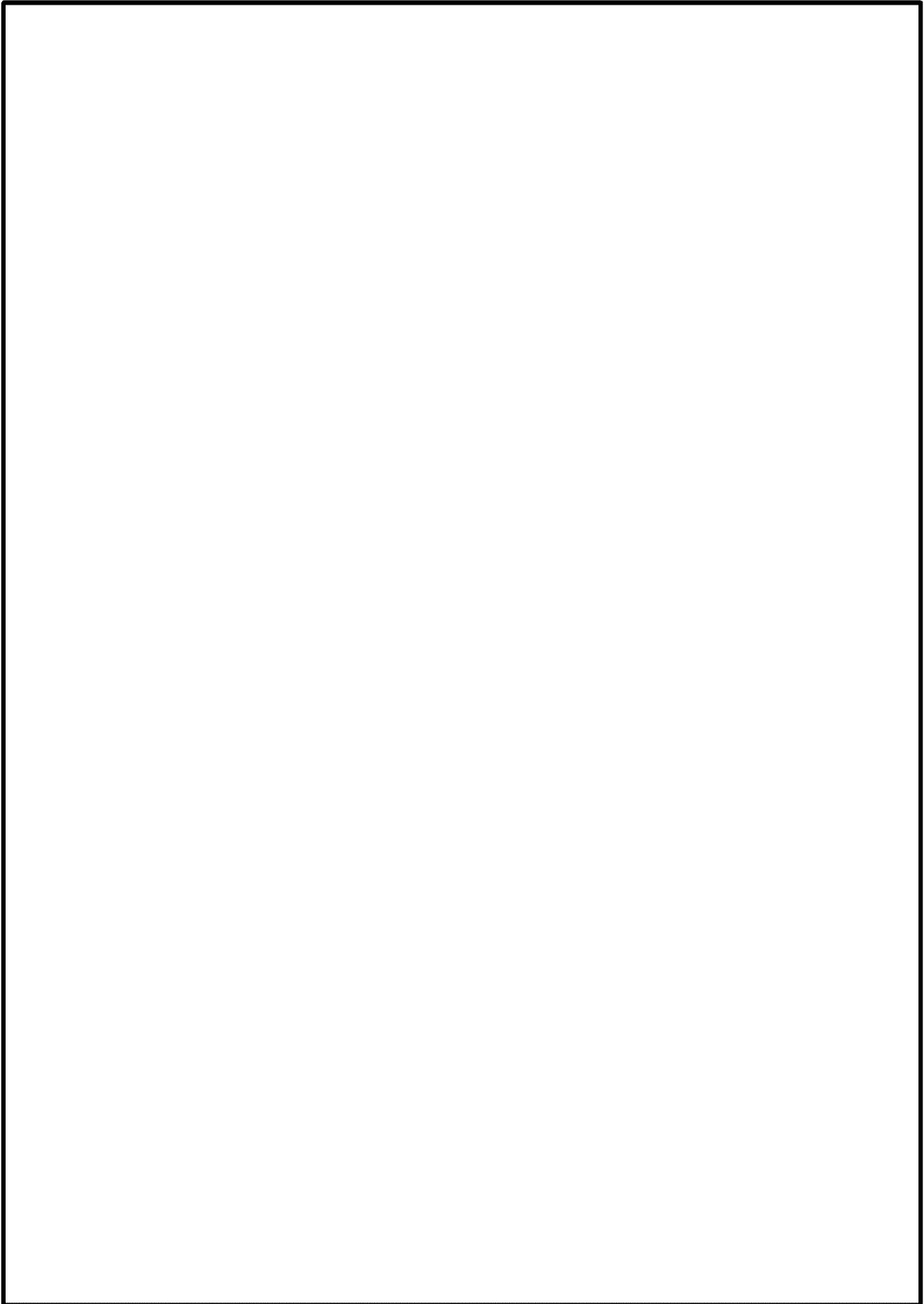


**16.03 Application of Illinois Law.** This Partnership Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the State of Illinois, and specifically the Act, without regard to its choice of law principles or those of any other jurisdiction.

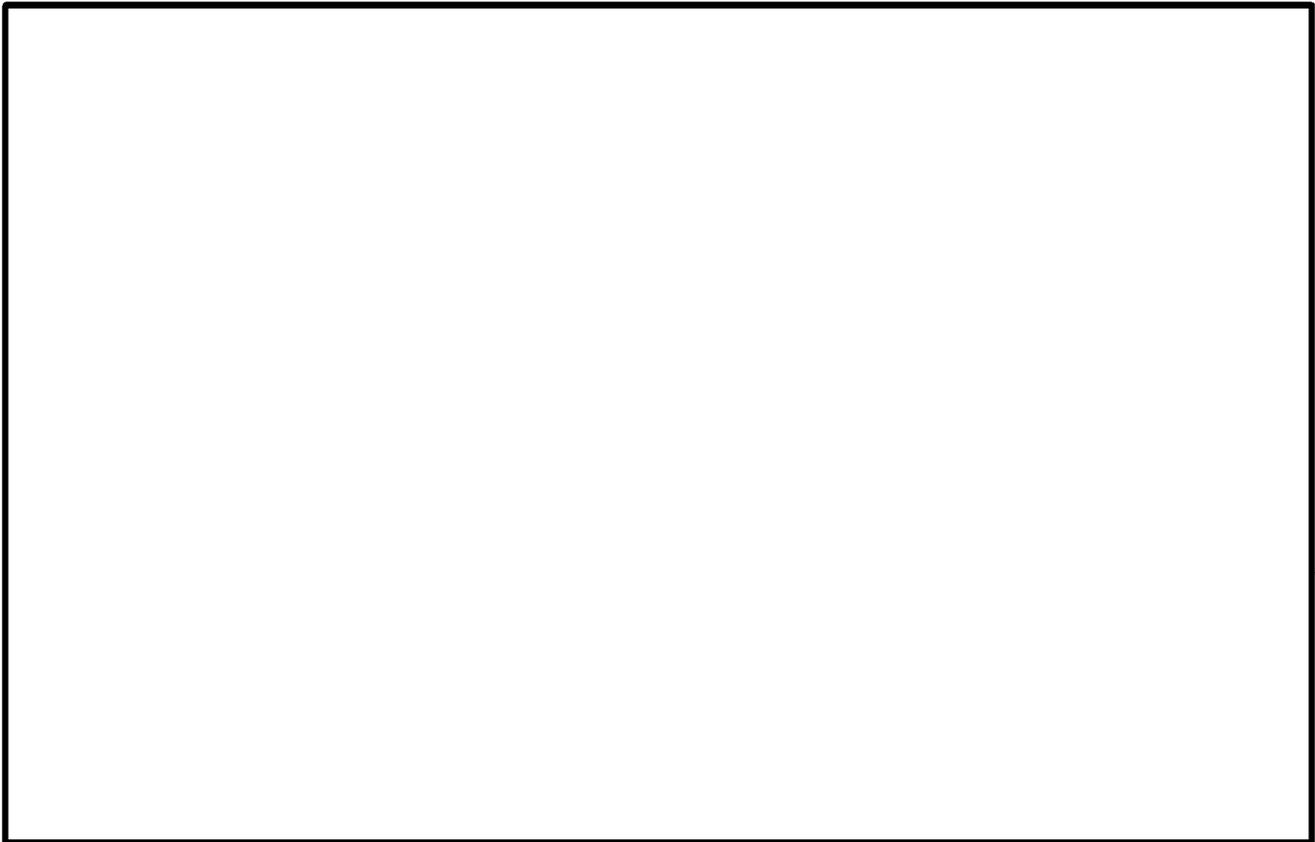
(b)(4)



(b)(4)



(b)(4)



**16.18 Complete Agreement.** This Partnership Agreement constitutes the entire agreement among the Partners with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements among the Partners.

**IN WITNESS WHEREOF,** the parties hereto have caused their signatures, or the signatures of their duly authorized representative, to be set forth below as of the day and year first above written.

**PARTNERS AND MANAGING PARTNER:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**  
**INTEREST OWNER INFORMATION**

	<b>Capital Contribution</b>	<b>Number of Ownership Units</b>
Name:	\$	
Address:		
Name:	\$	
Address:		
Name:	\$	
Address:		
Name:	\$	
Address:		

**OPERATING AGREEMENT OF \_\_\_\_\_**

This Operating Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between the Members whose signatures appear on the signature page hereof.

**WITNESSETH**

**WHEREAS,** \_\_\_\_\_ filed Articles of Organization for \_\_\_\_\_ LLC with the Secretary of State of Illinois on \_\_\_\_\_, 20\_\_\_\_.

**NOW, THEREFORE,** the parties agree as follows:

**ARTICLE I**

**DEFINITIONS**

In addition to the terms that are defined elsewhere in this Operating Agreement, the following terms used in this Operating Agreement shall have the following meanings:

**1.01 "Act"** shall mean the Illinois Limited Liability Company Act at 805 ILCS 180/1-5, et seq.

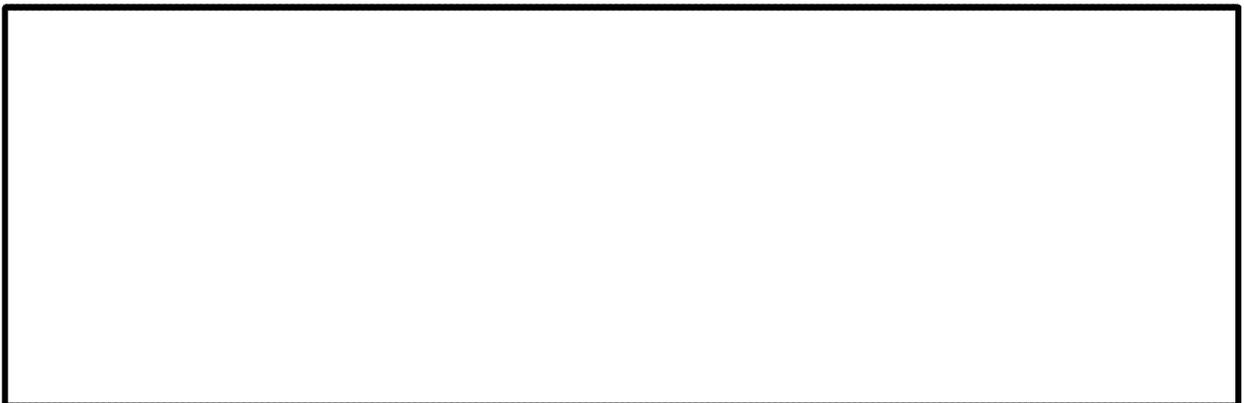
(b)(4) **1.02 "Articles of Organization"** shall mean the Articles of Organization of \_\_\_\_\_ LLC as filed with the Secretary of State of Illinois, as amended from time to time.



**1.05 "Code"** shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

**1.06 "Company"** shall refer to \_\_\_\_\_ LLC.

(b)(4)



(b)(4)



**1.15 “Manager”** shall mean one or more managers. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine references, as the case may be.

**1.16 “Member”** shall mean each of the parties who execute a counterpart of the Operating Agreement as a Member and each of the parties who may hereafter become Members. To the extent a Manager has purchased a Membership Interest in the Company, he

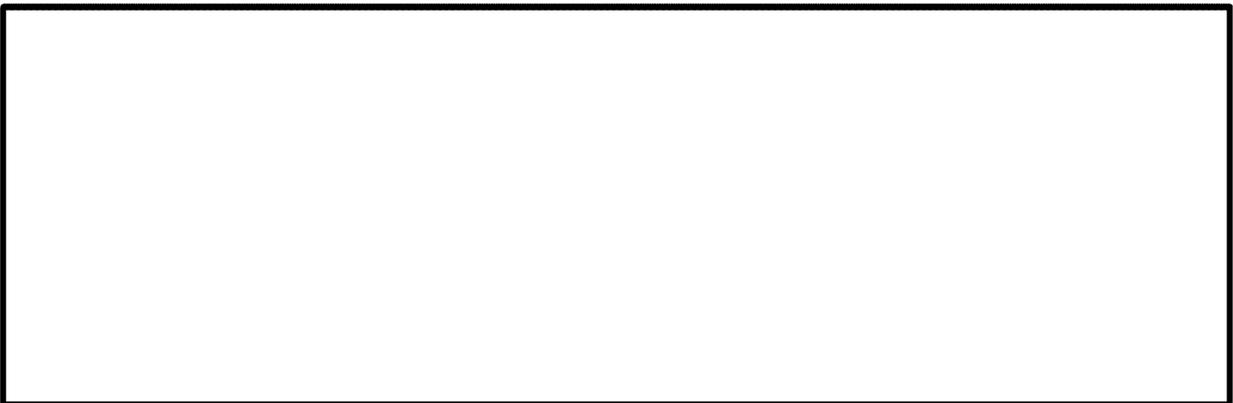
will have all the rights of a Member with respect to such Membership Interest, and the term "Member" as used herein shall include a Manager to the extent he has purchased such Membership Interest in the Company. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.



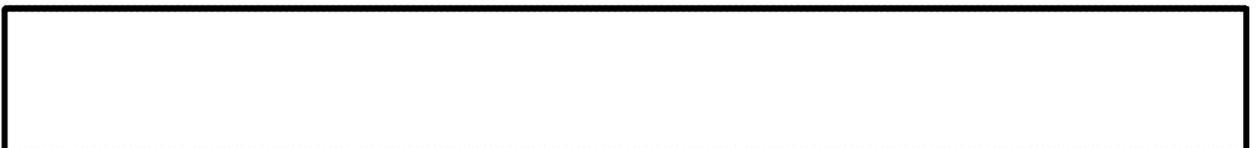
(b)(4) **1.19 "Operating Agreement"** shall mean this Operating Agreement as originally executed and as amended from time to time.



**1.21 "Persons"** shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.



(b)(4) **1.25 "Treasury Regulations"** shall include proposed, temporary and final regulations promulgated under the Code.



**ARTICLE II**  
**FORMATION OF COMPANY**

**2.01 Formation.** \_\_\_\_\_ LLC has been organized as an Illinois Limited Liability Company by executing and delivering Articles of Organization to the Illinois Secretary of State in accordance with and pursuant to the Act.

**2.02 Name.** The name of the Company is \_\_\_\_\_ LLC.

**2.03 Principal Place of Business.** The Principal place of business of the Company within the State of Illinois shall be \_\_\_\_\_. The Company may locate its places of business and registered office at any other place or places as the Managers may deem advisable.

**2.04 Registered Office and Registered Agent.** The Company's initial registered office shall be at the office of its registered agent at \_\_\_\_\_, and the name of its initial registered agent shall be \_\_\_\_\_. The registered office and registered agent may be changed by filling the address of the new registered office and/or the name of the new registered agent with the Illinois Secretary of State pursuant to the Act.

**2.05 Term.** The term of the Company shall be perpetual.

**ARTICLE III**  
**BUSINESS OF COMPANY**

The business of the Company shall be to \_\_\_\_\_.

Except as otherwise provided in this Agreement, the Company shall not engage in any other activity or business, and no Member shall have any authority to hold itself out as a general agent of the Company, or of another Member, in any other business or activity.

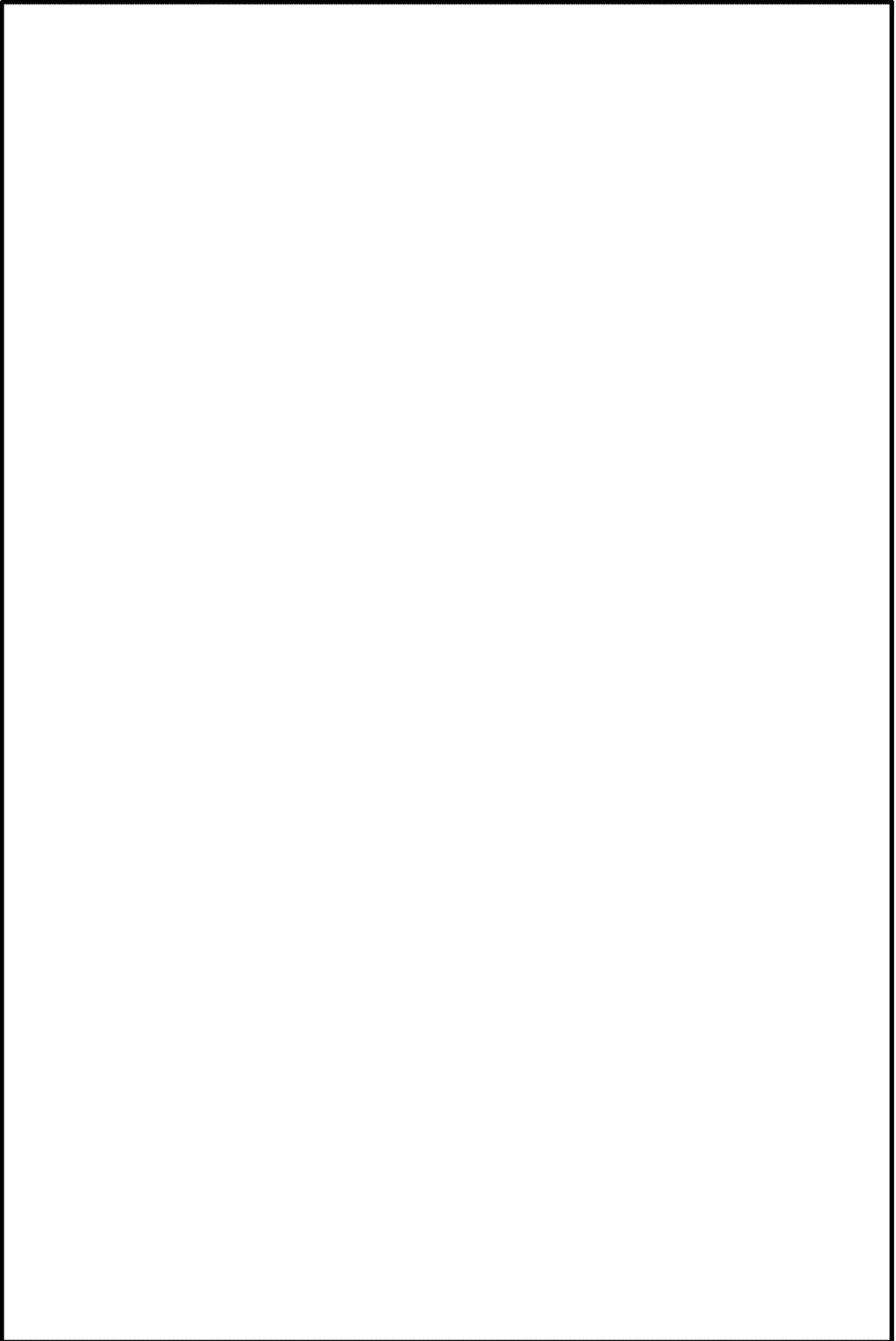
**ARTICLE IV**  
**NAMES AND ADDRESSES OF MEMBERS**

The name and addresses of the Members are set forth on Exhibit A, which is attached to this Operating Agreement and made a part of this Operating Agreement by this reference. Exhibit A may be amended from time to time by the Manager to reflect changes in Member information, including names, addresses and holding of Membership Interests.

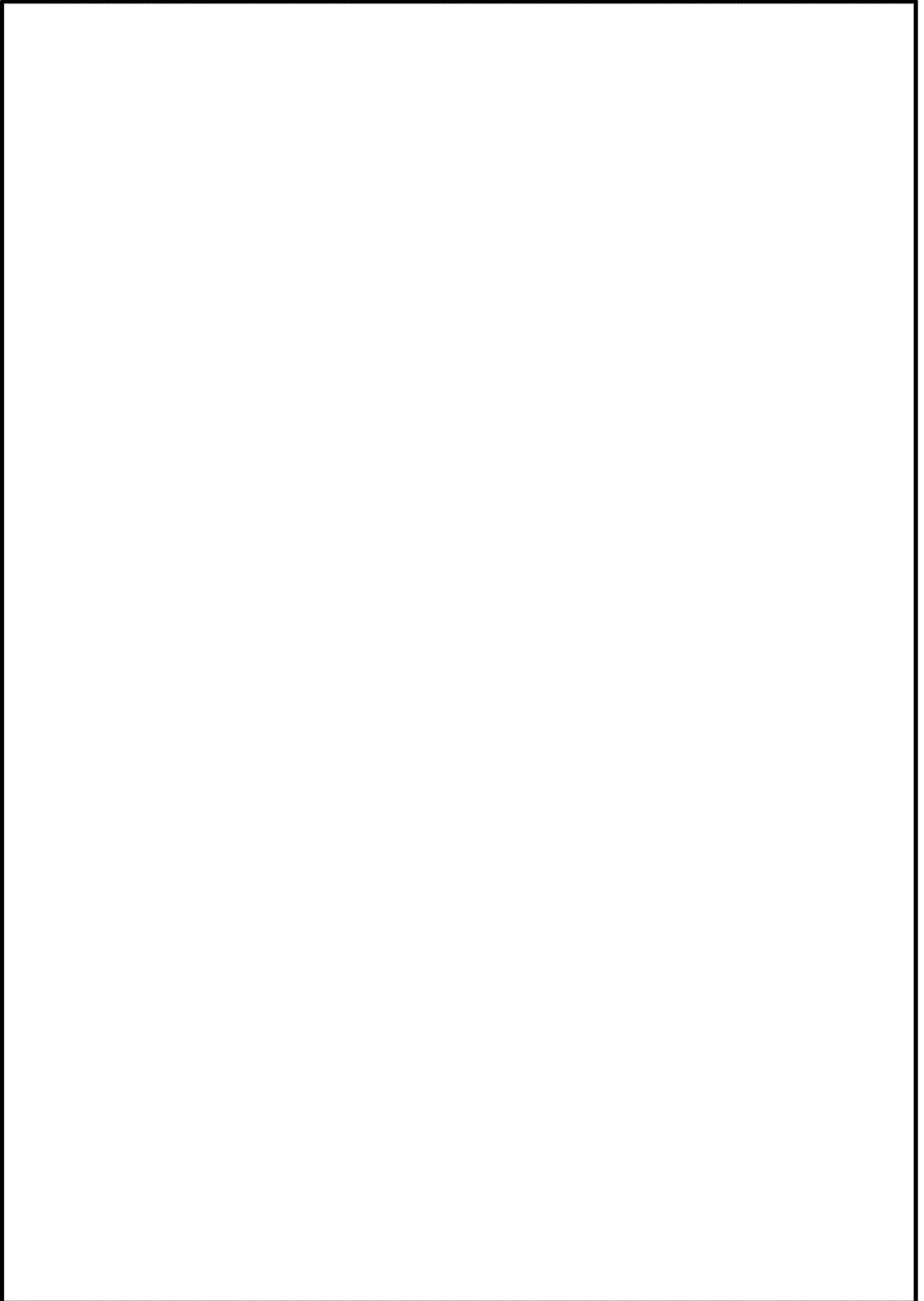
**ARTICLE V**  
**RIGHTS AND DUTIES OF MANAGERS**

(b)(4)

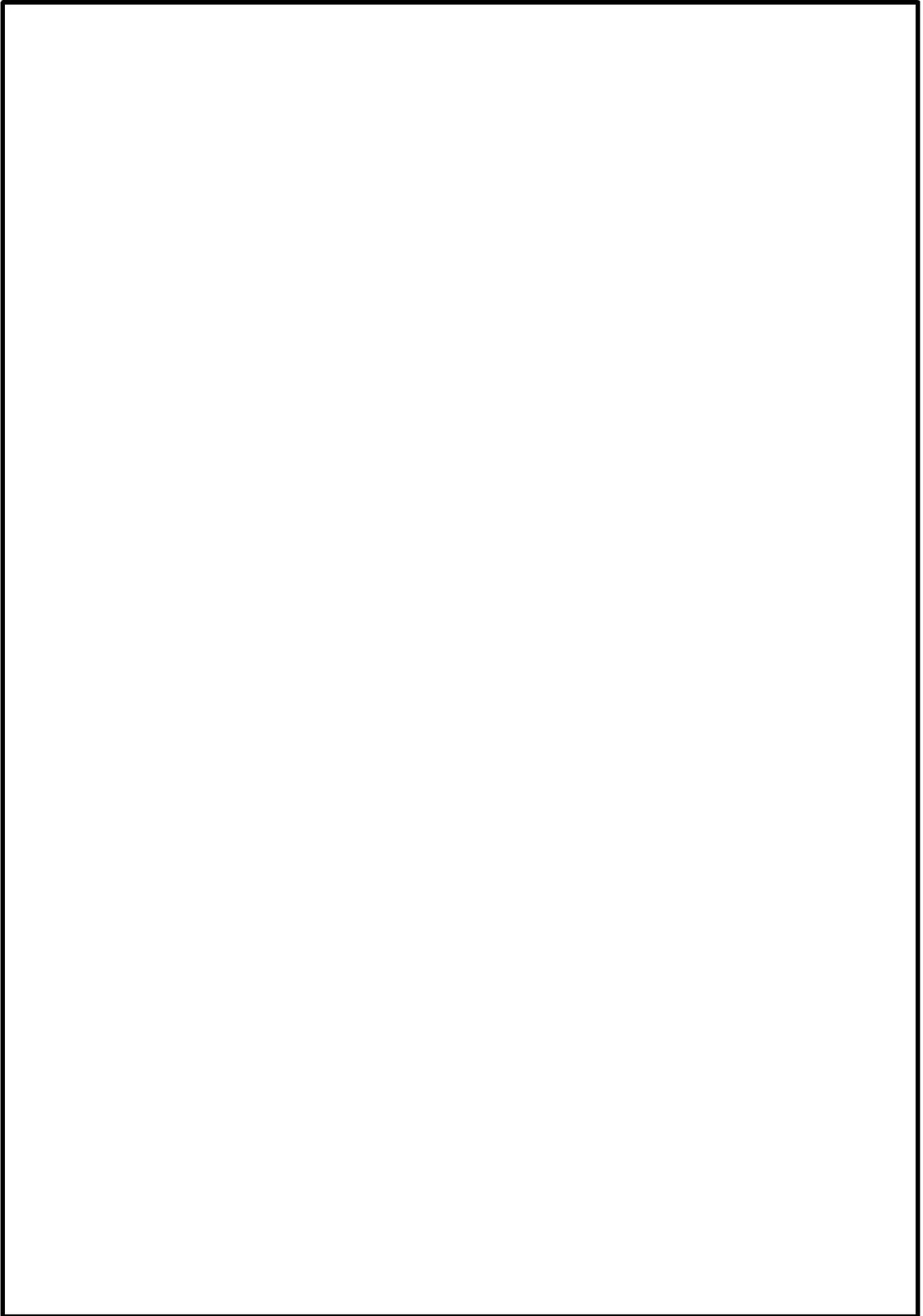
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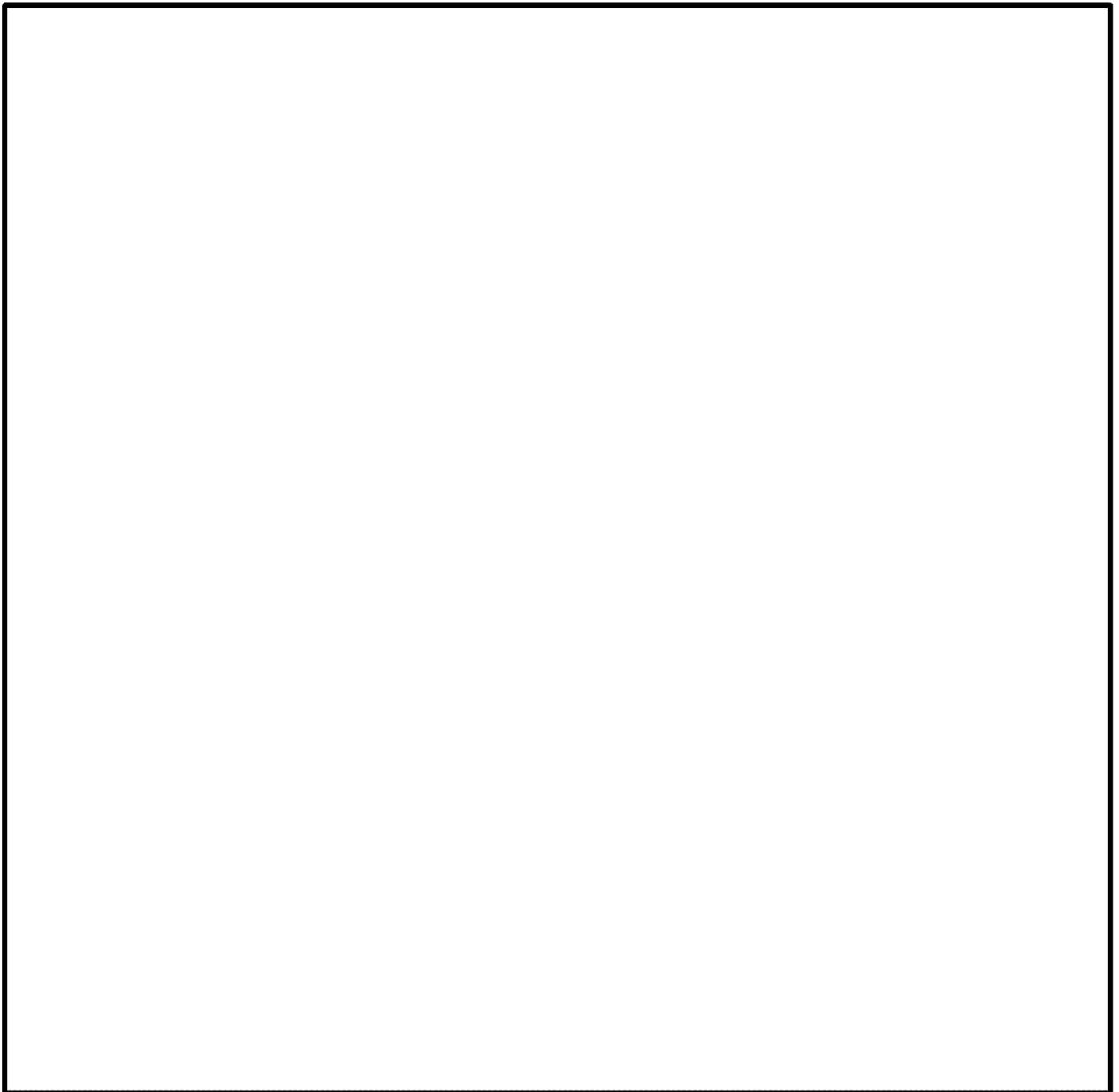
(b)(4)



**ARTICLE VI**

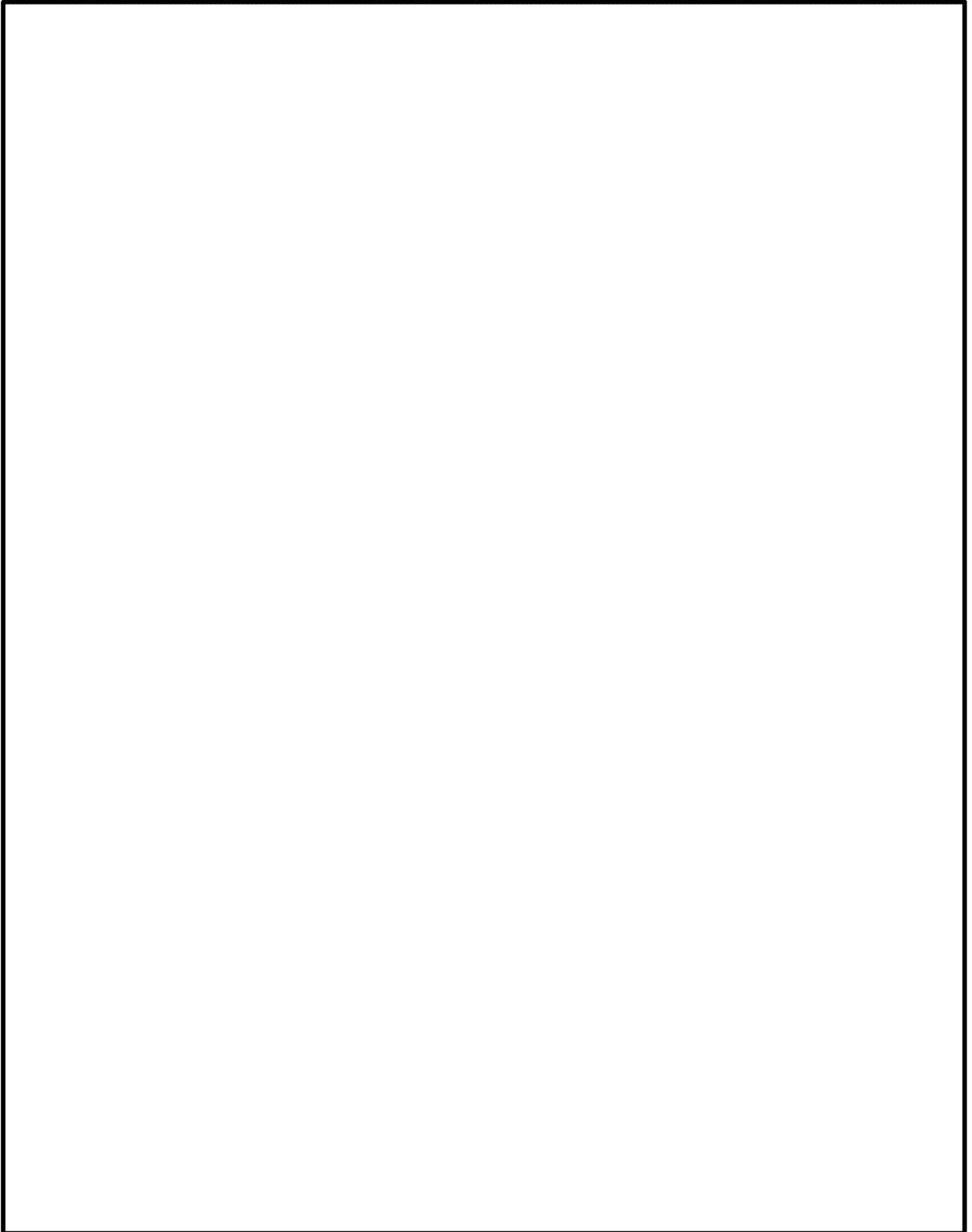
**RIGHTS AND OBLIGATIONS OF MEMBERS**

(b)(4)

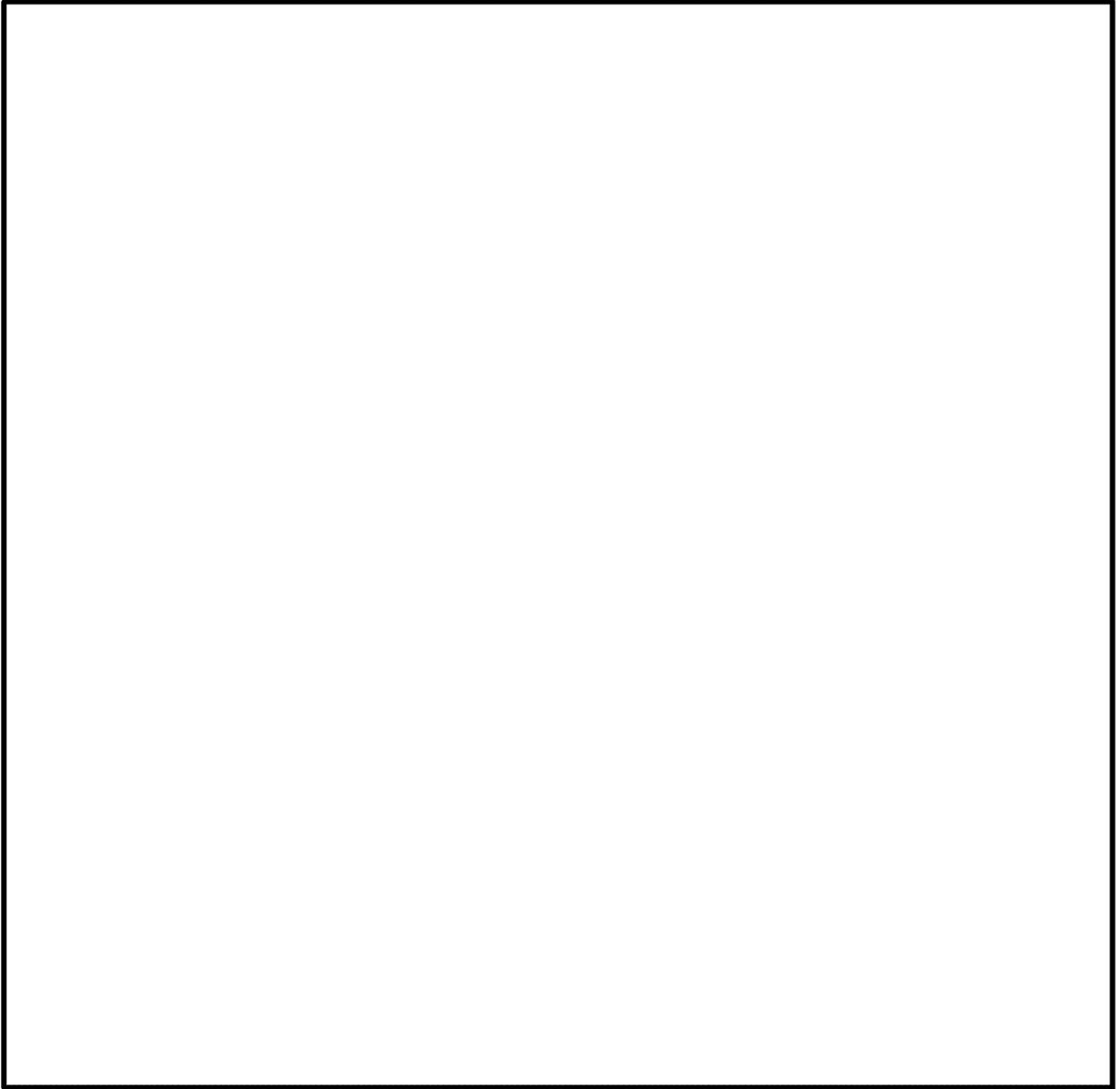


(b)(4)

**ARTICLE VII  
MEETINGS OF MEMBERS**



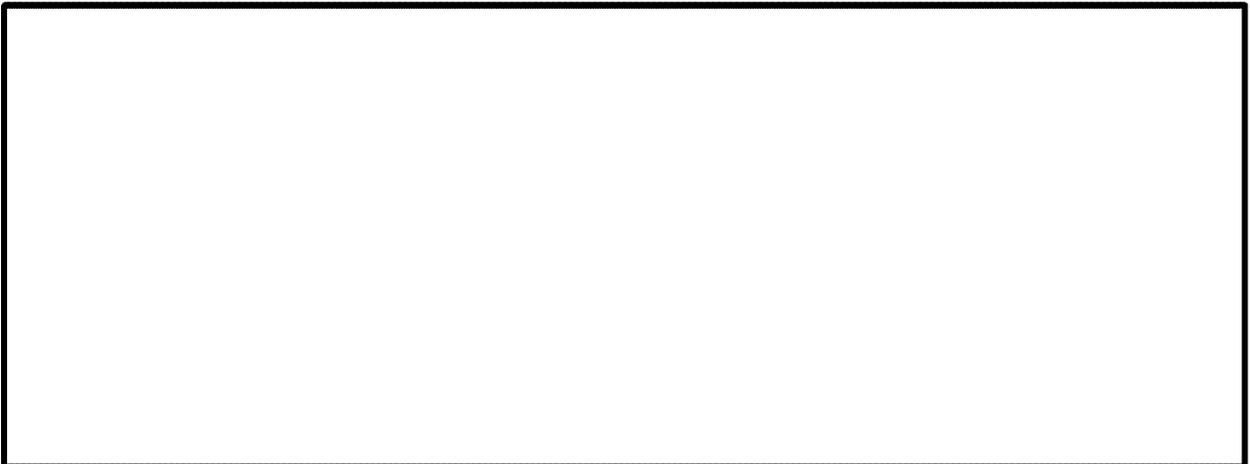
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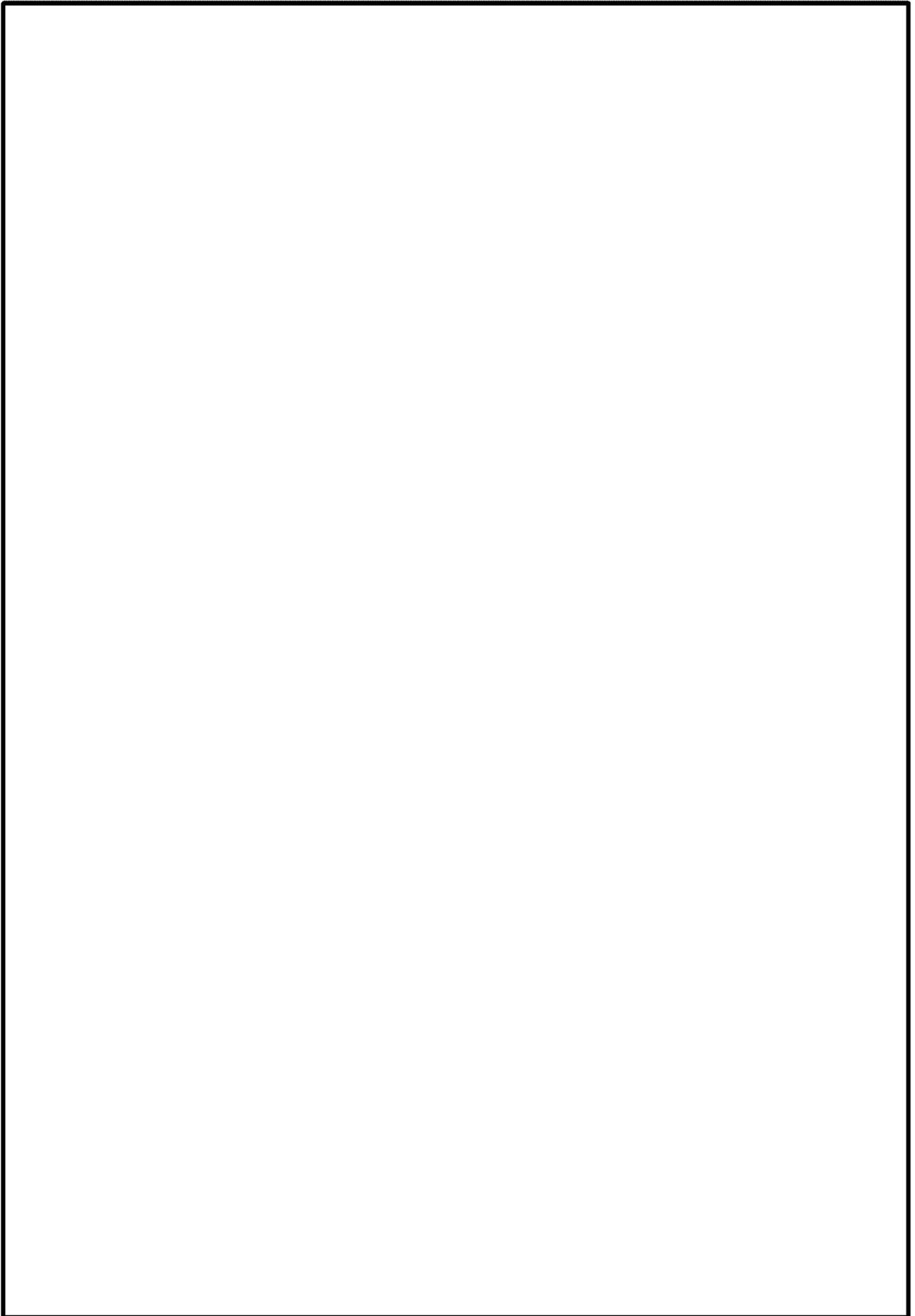
**ARTICLE VIII**

(b)(4)

**CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**



(b)(4)



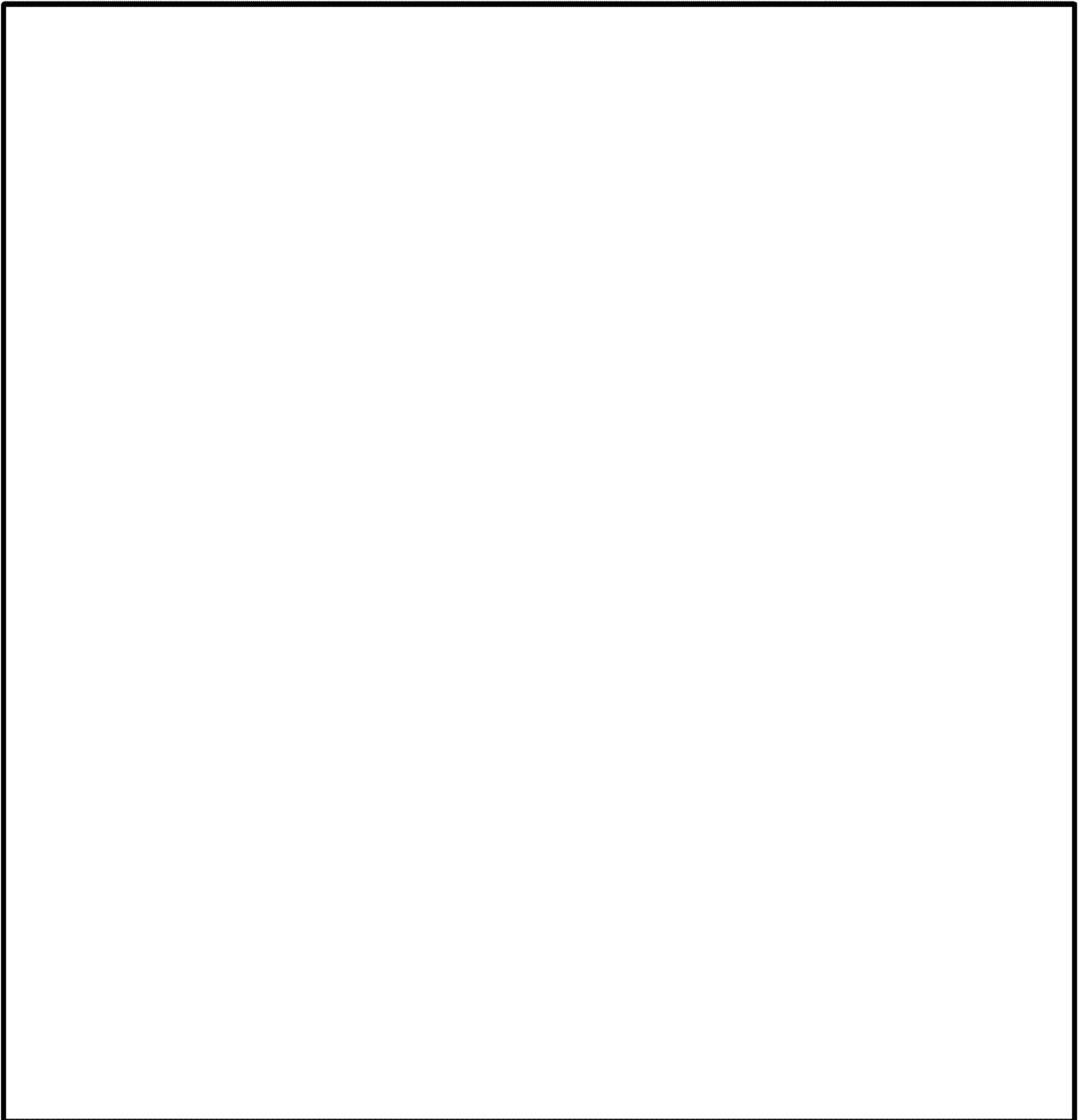
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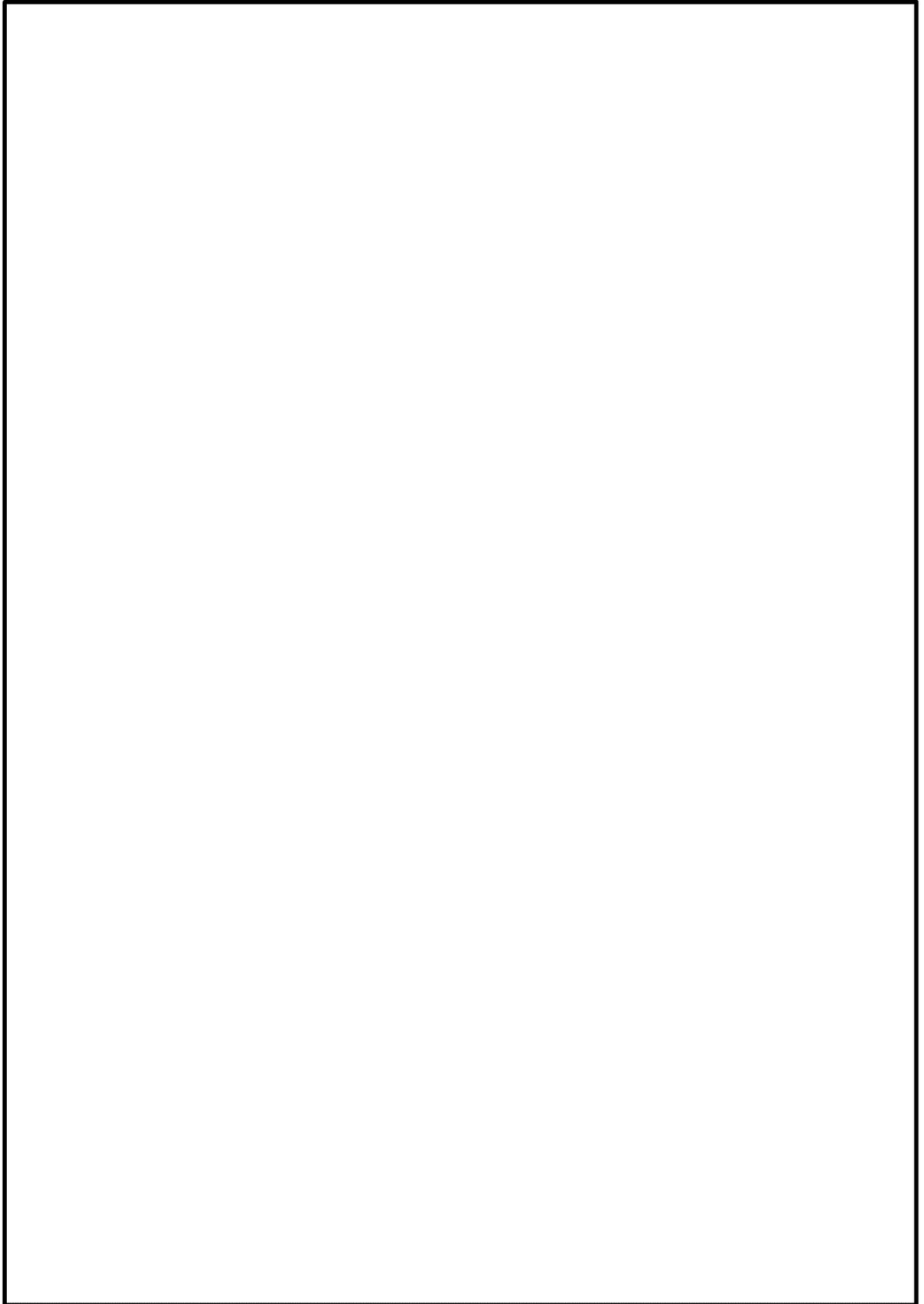
**ARTICLE IX**

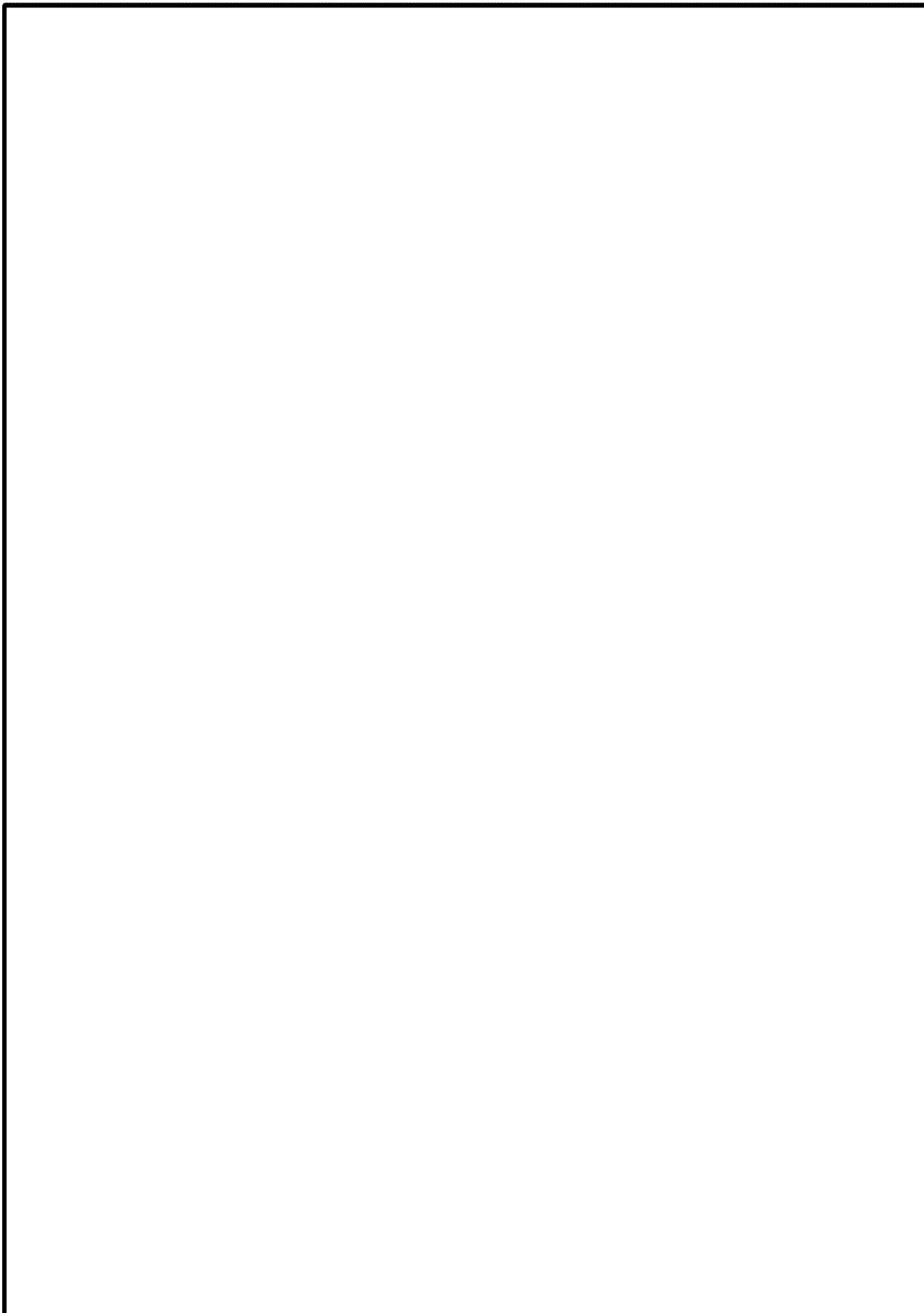
**ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS**

(b)(4)

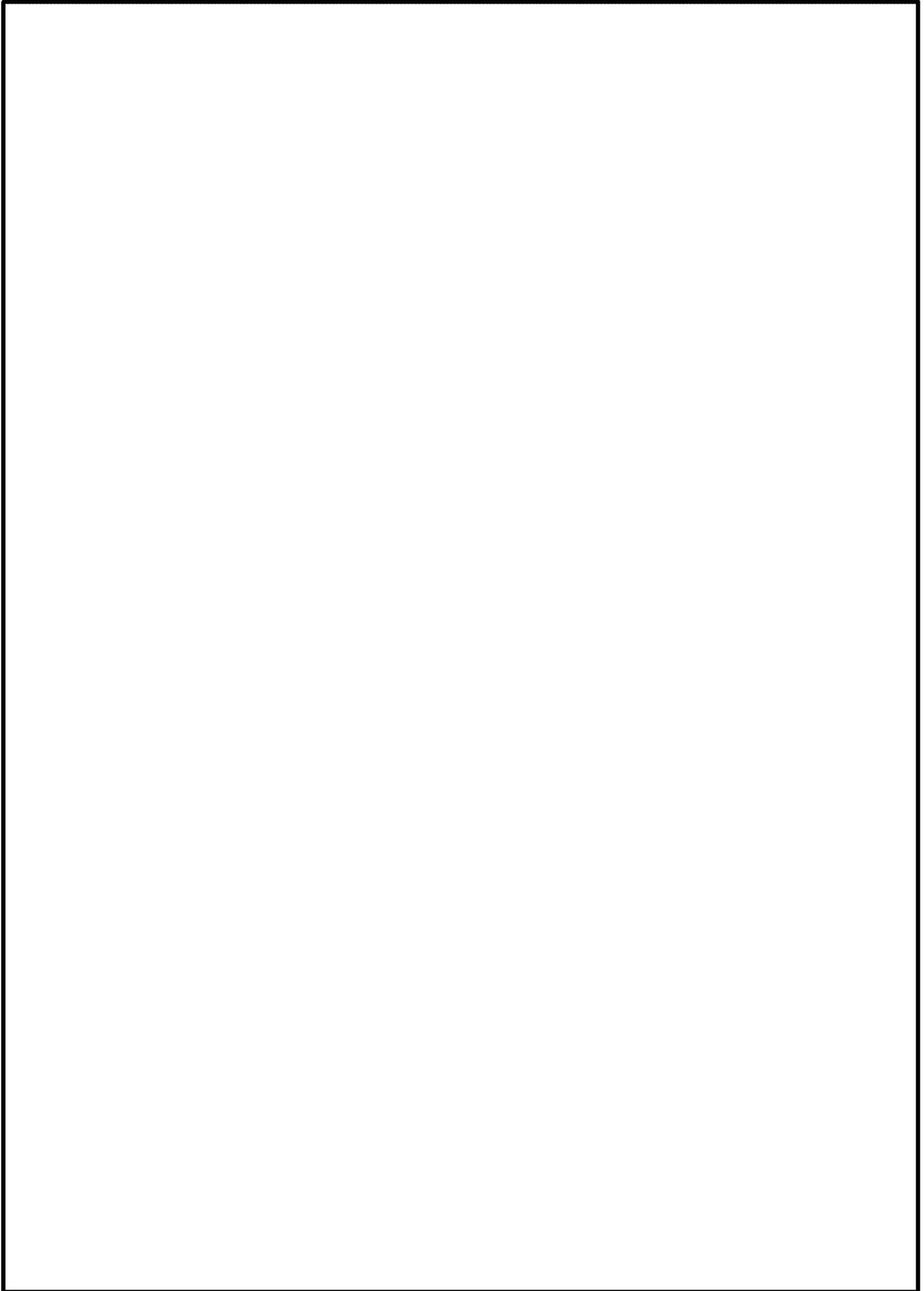


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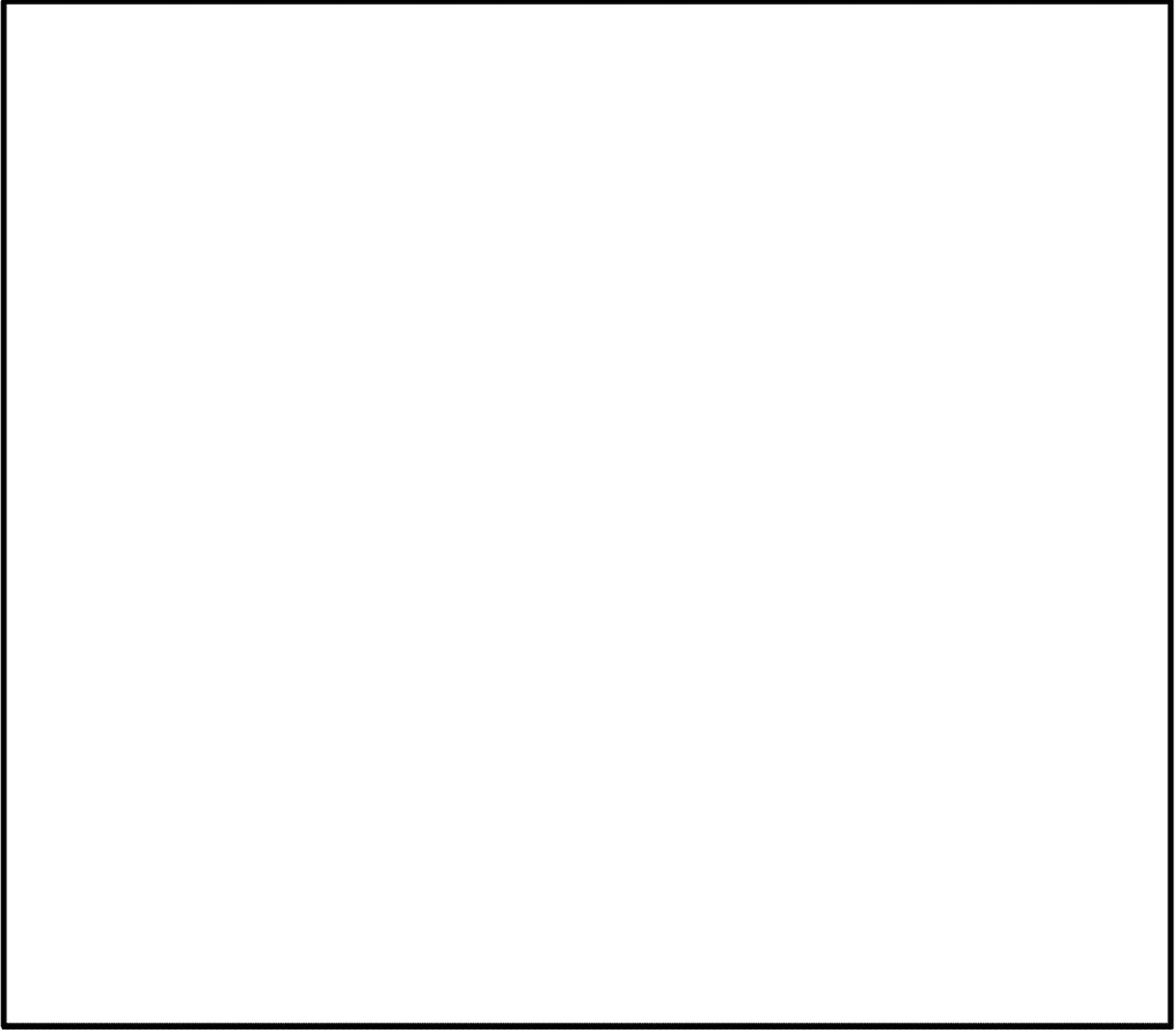




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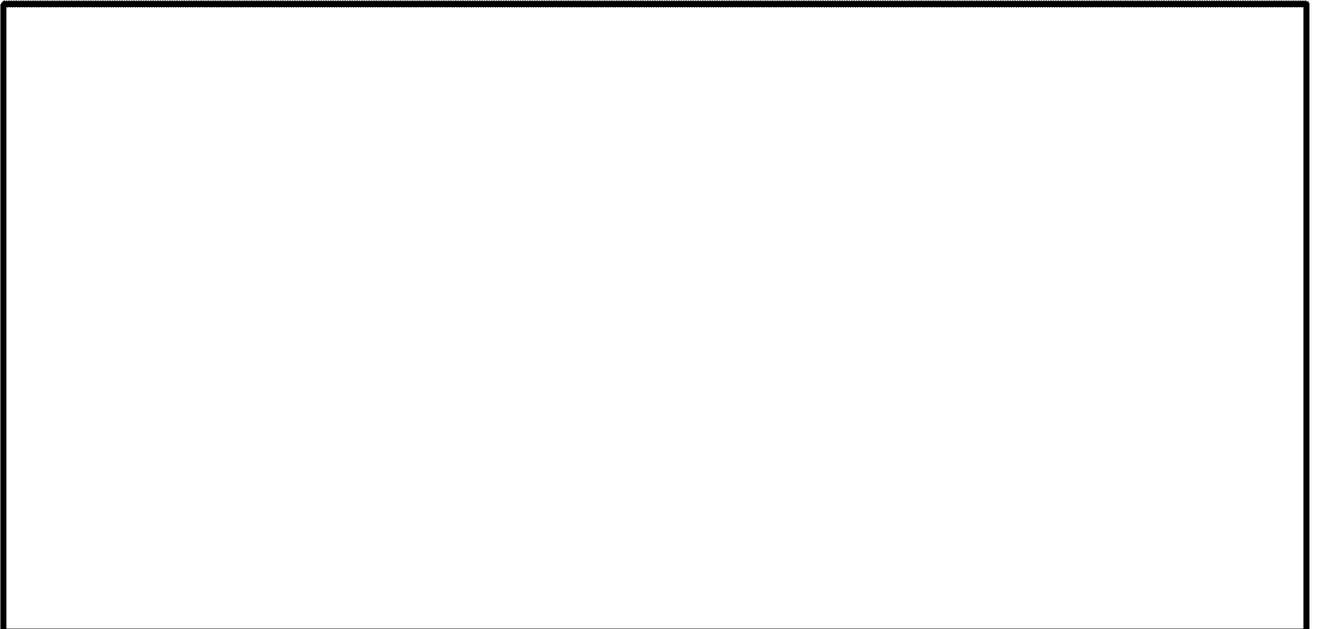


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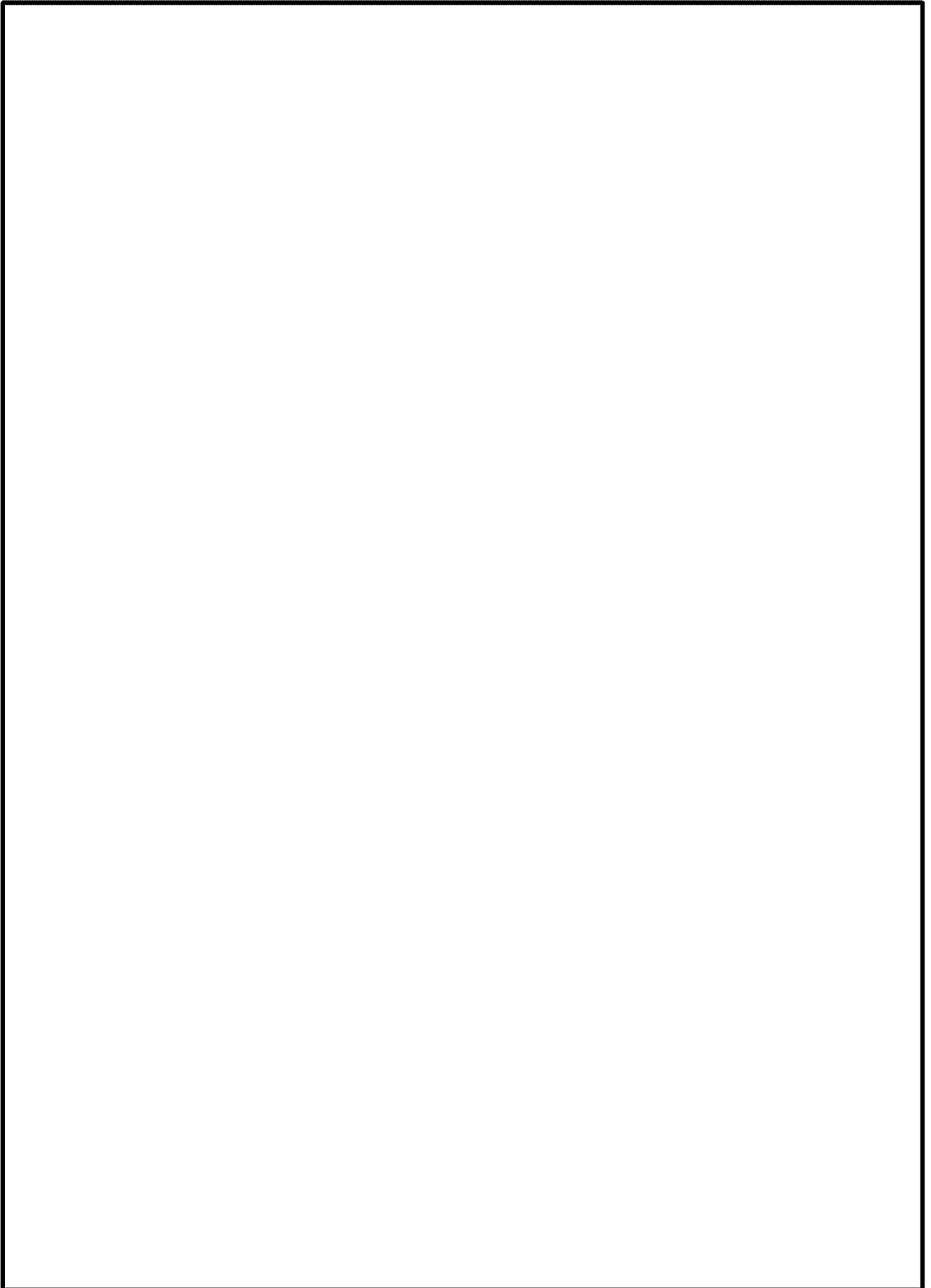


**ARTICLE X  
TRANSFERABILITY**

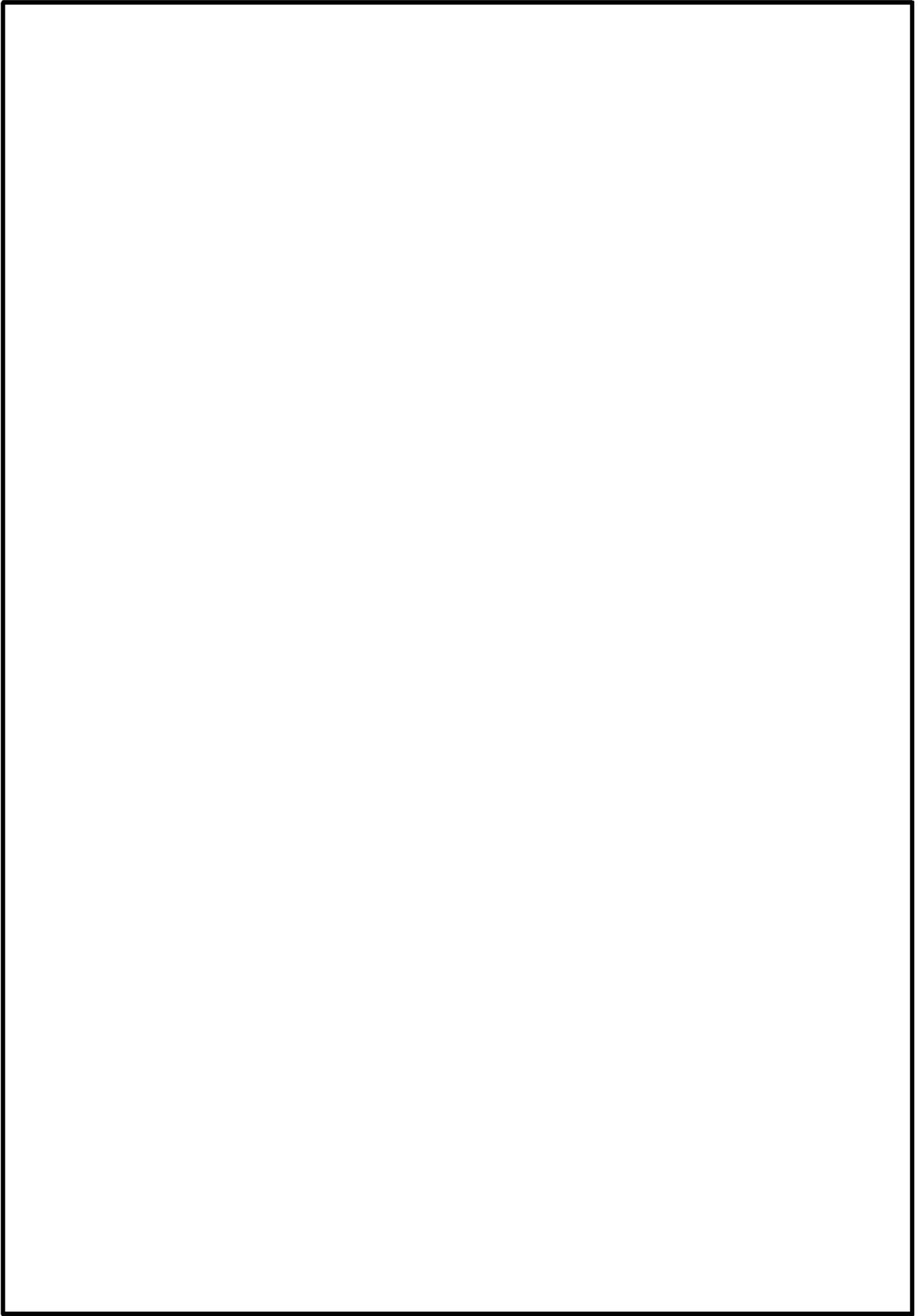
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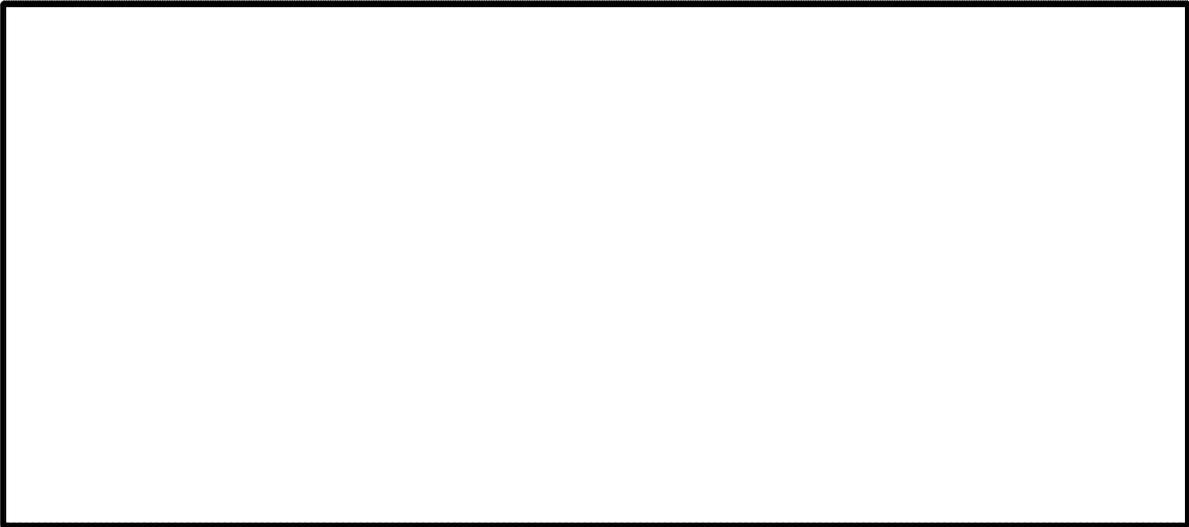
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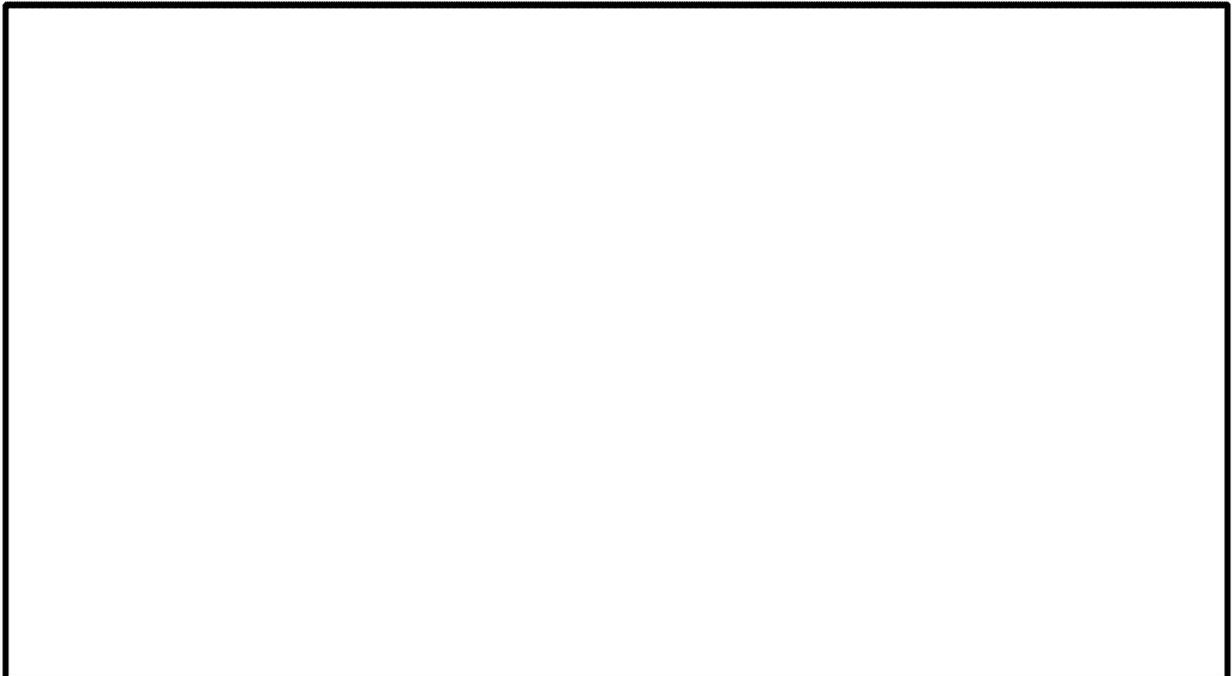
(b)(4)

**ARTICLE XI  
ADDITIONAL MEMBERS**

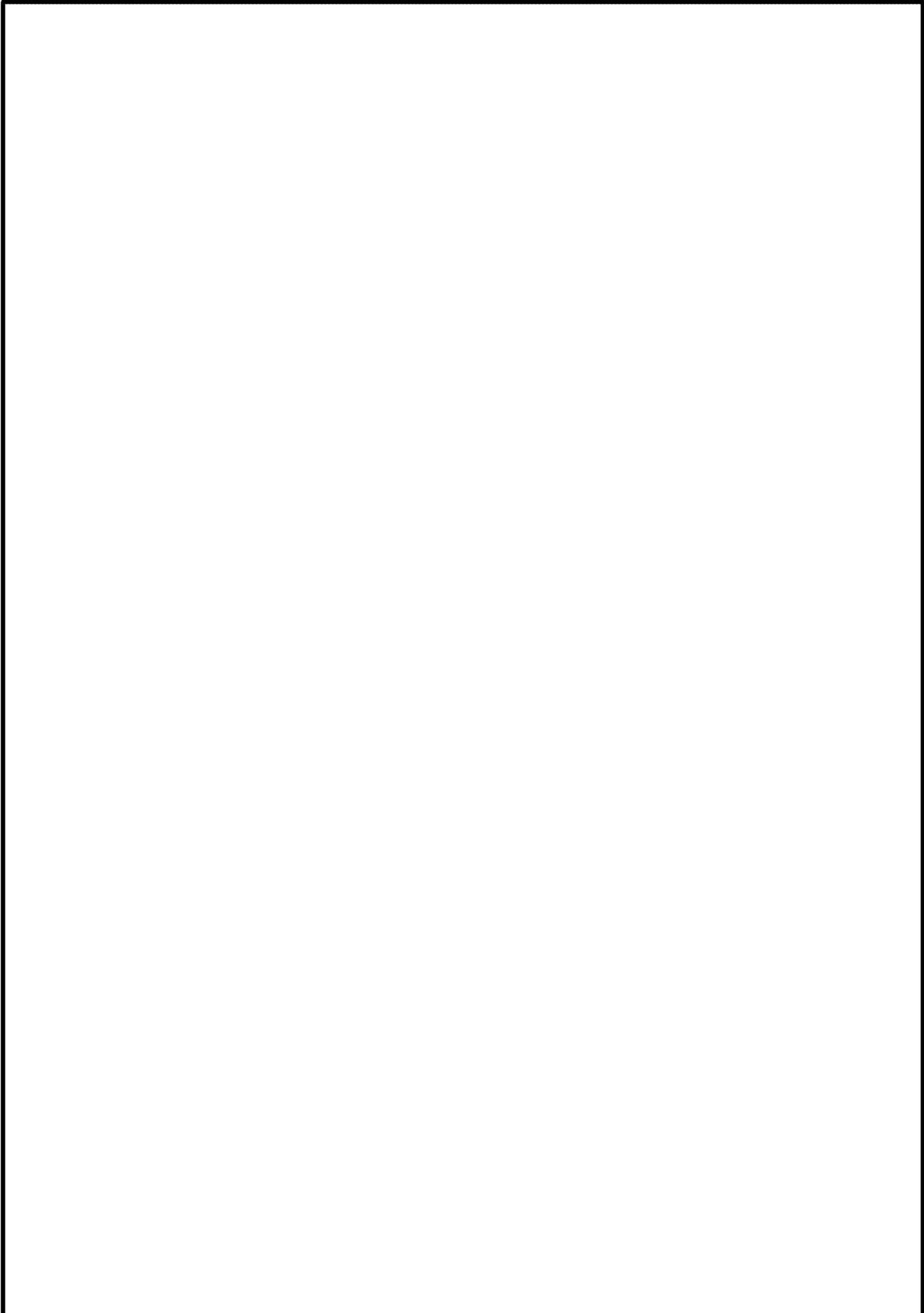


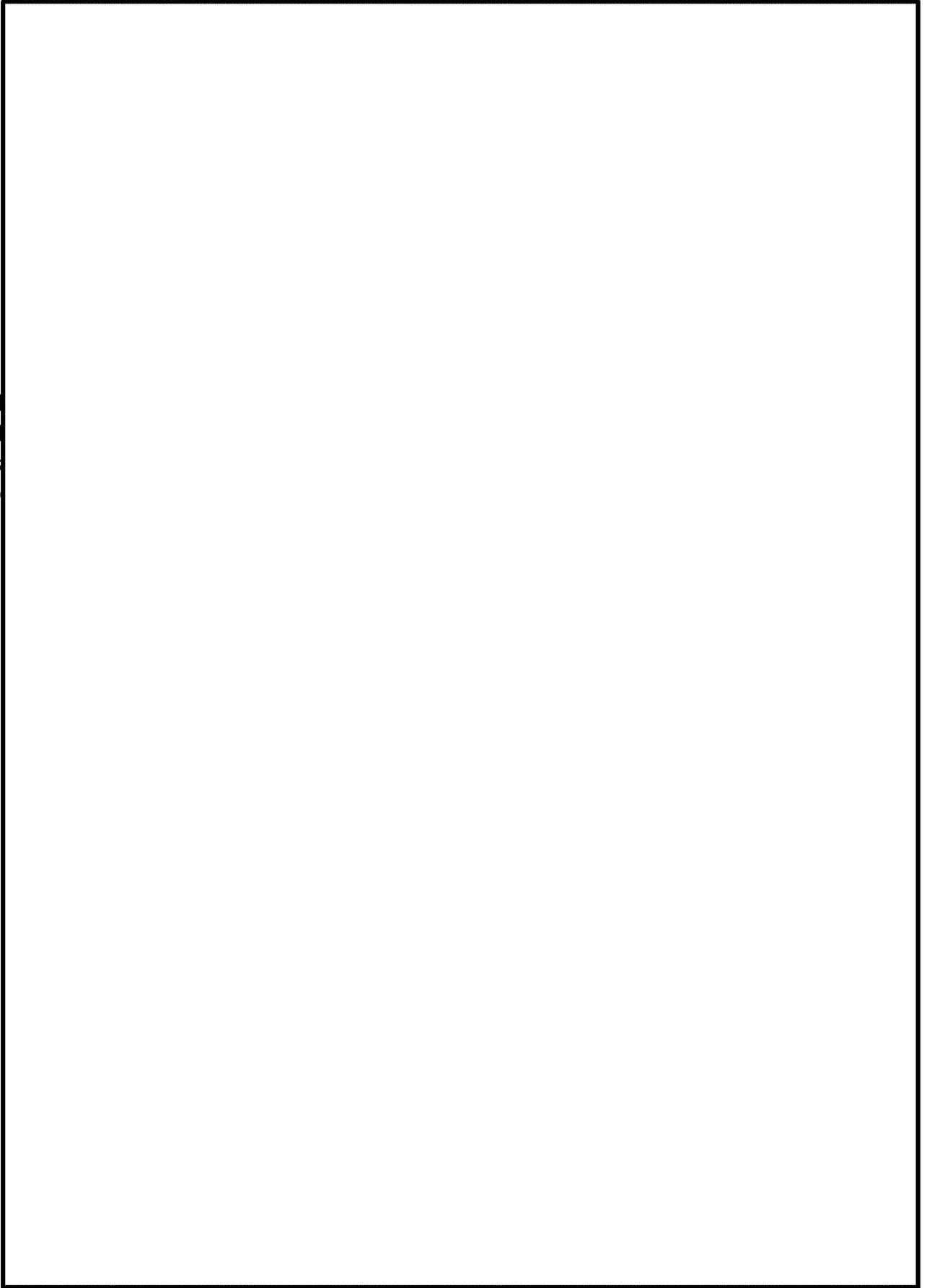
**ARTICLE XII  
DISSOLUTION AND TERMINATION**

(b)(4)



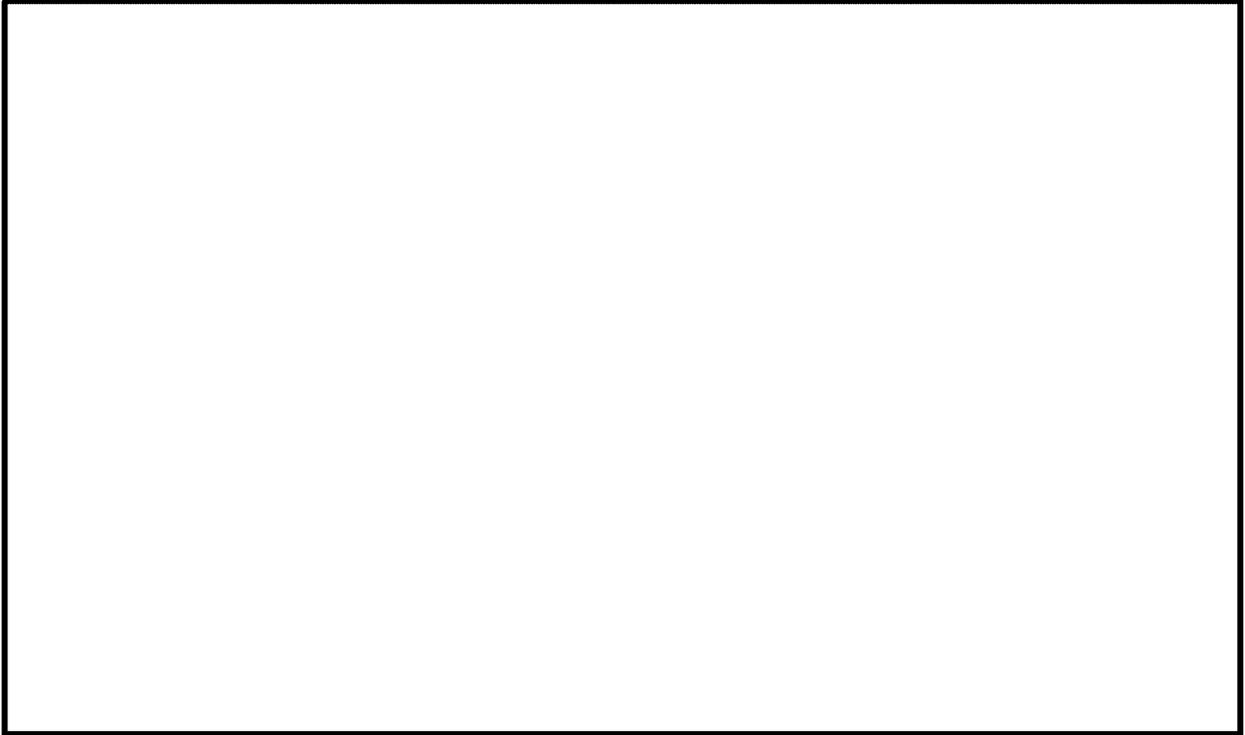
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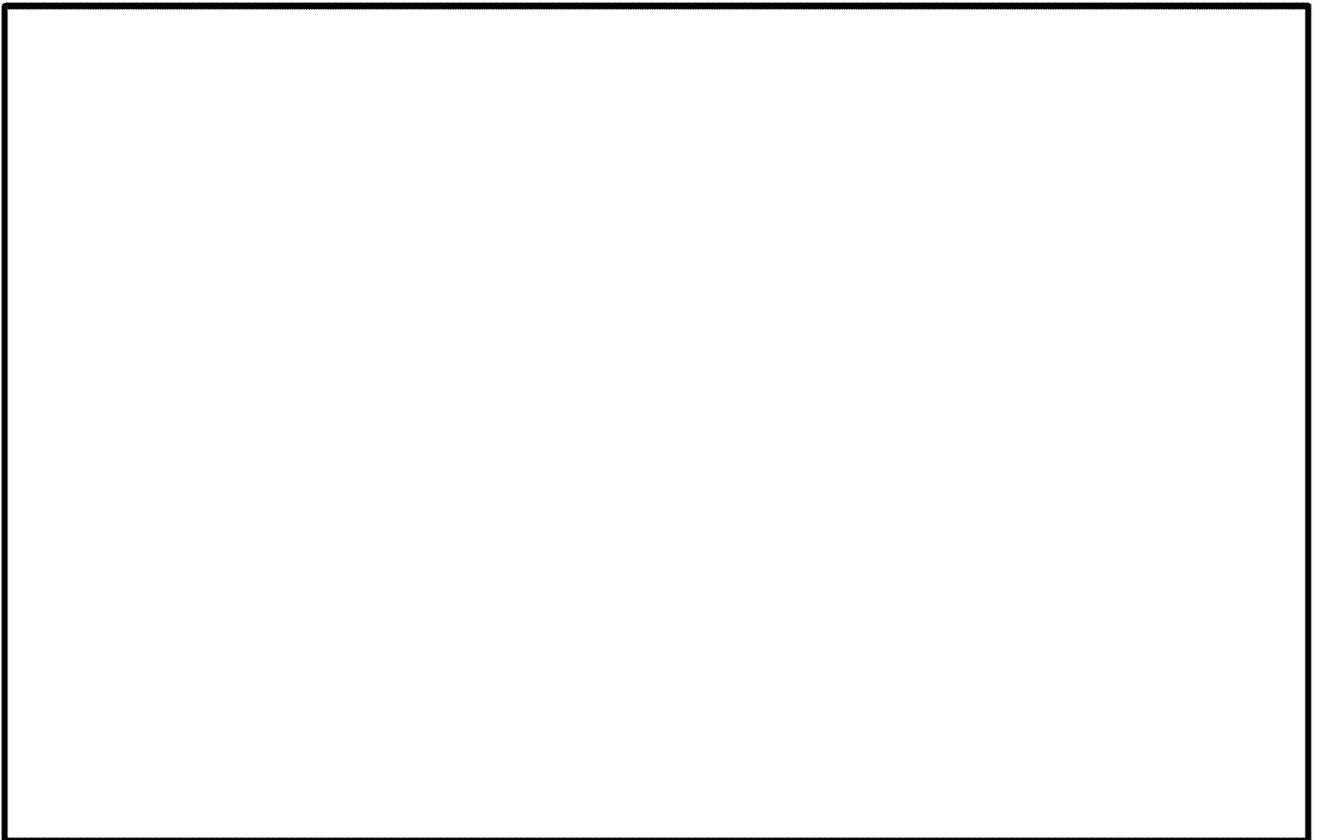
(b)(4)

**ARTICLE XIII**  
**MISCELLANEOUS PROVISIONS**

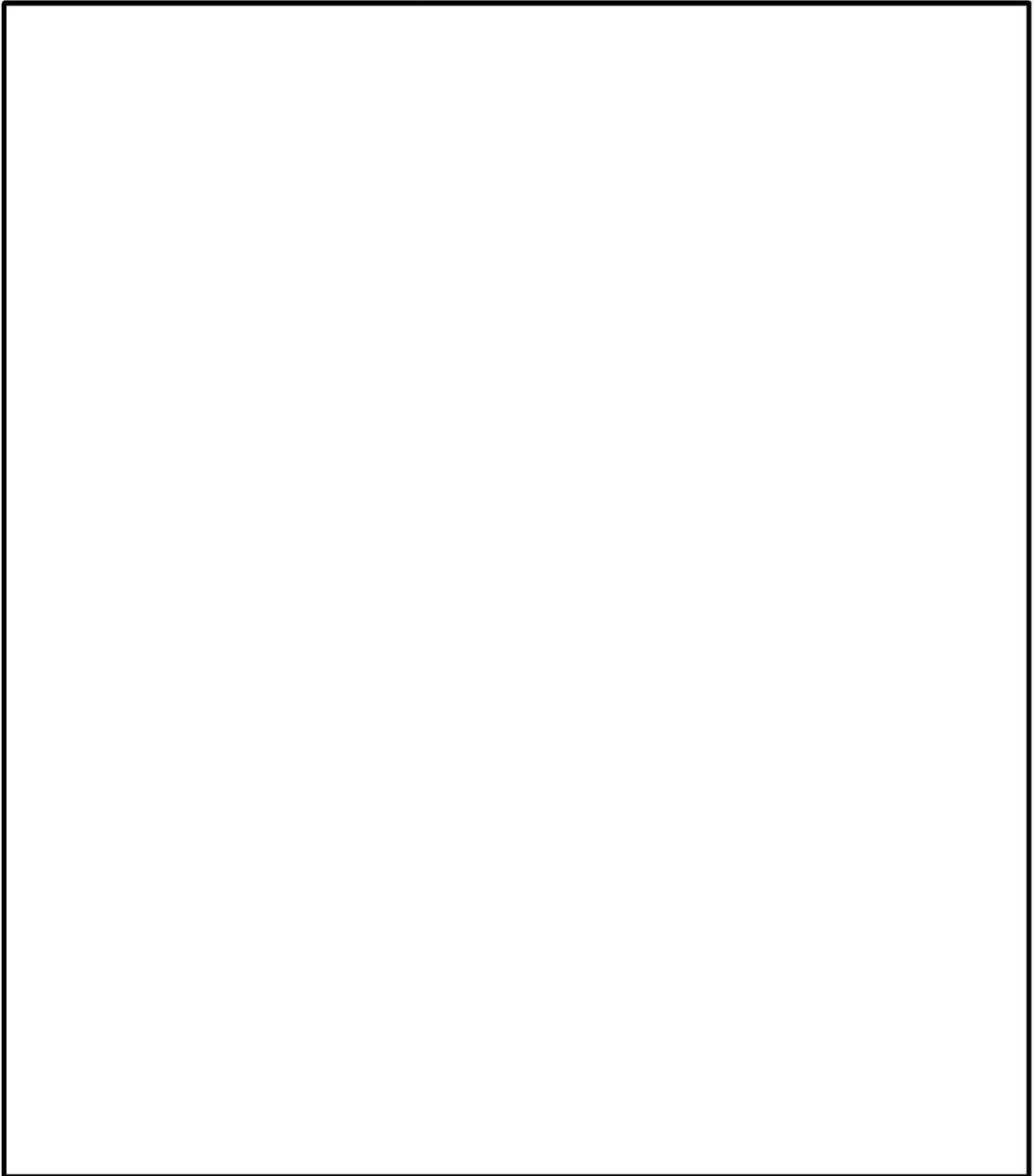


**13.03 Application of Illinois Law.** This Operating Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the State of Illinois, and specifically the Act.

(b)(4)



(b)(4)



**IN WITNESS WHEREOF**, the parties hereto have caused their signatures, or the signatures of their duly authorized representative, to be set forth below on the day and year first above written.

**MEMBERS:**

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**EXHIBIT A**

<b>NAME</b>	<b>Description of Contribution</b>	<b>Amount</b>	<b>%</b>

**List of Members:**

**List of Managers:**

## SUBSCRIPTION AGREEMENT OF [COMPANY NAME]

THIS SUBSCRIPTION AGREEMENT (the "Subscription Agreement") is made and entered into between [COMPANY NAME] ("[COMPANY NAME]"), and the person executing this Subscription Agreement as the Subscriber (the "Subscriber").

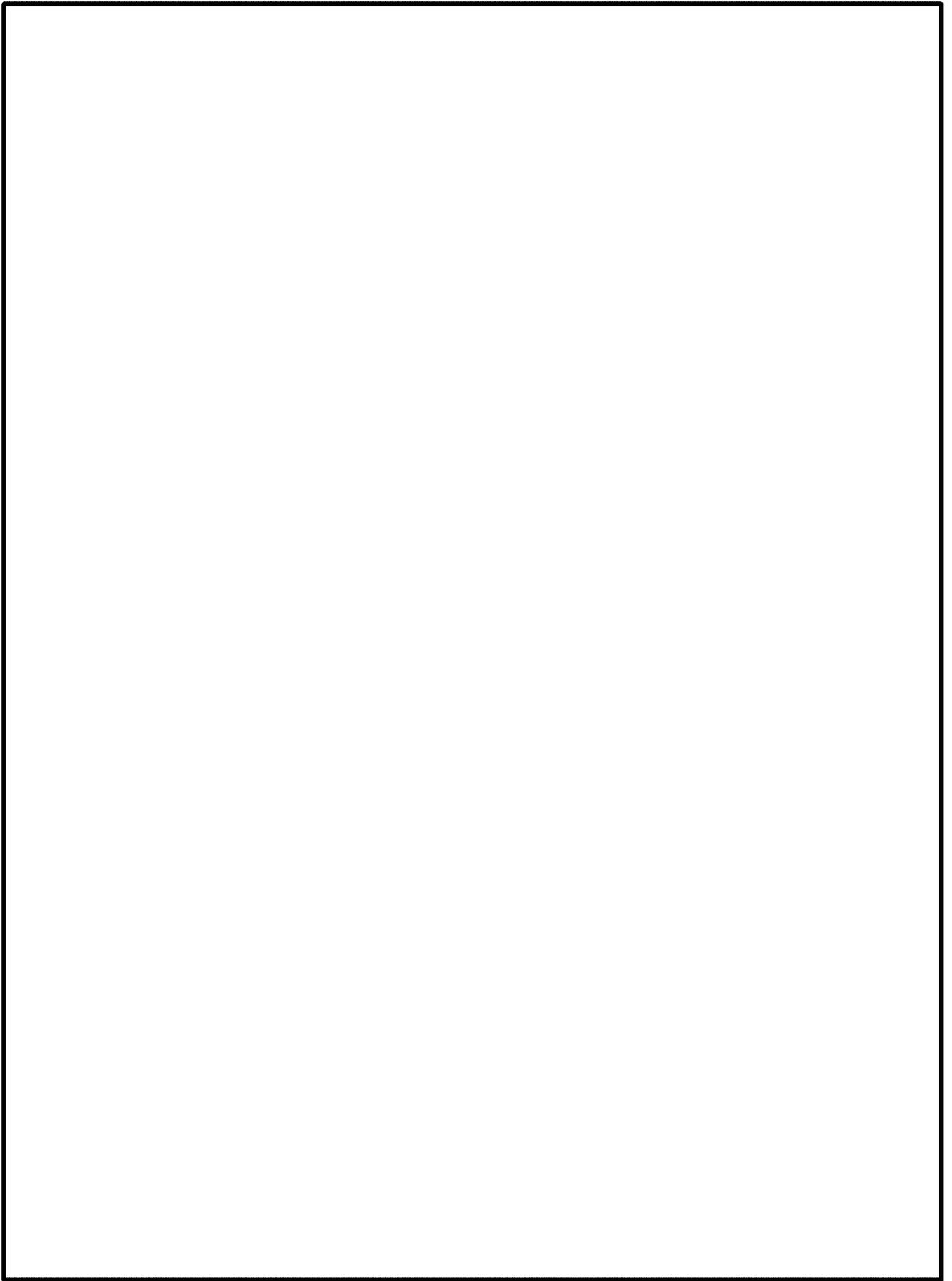
By executing this Subscription Agreement, the Subscriber acknowledges that he/she understands that [COMPANY NAME] is relying upon the accuracy of the representations and warranties of Subscriber contained herein in complying with its obligations under applicable United States securities laws. Unless otherwise defined herein, initially capitalized terms used herein have the meaning ascribed to them in the Operating Agreement for [COMPANY NAME] (the "Operating Agreement"), which is attached as Exhibit B to [COMPANY NAME]'s Confidential Offering Memorandum dated [MONTH DD, YYYY], including all exhibits and any supplements (the "Offering Memorandum").

### Acknowledgment

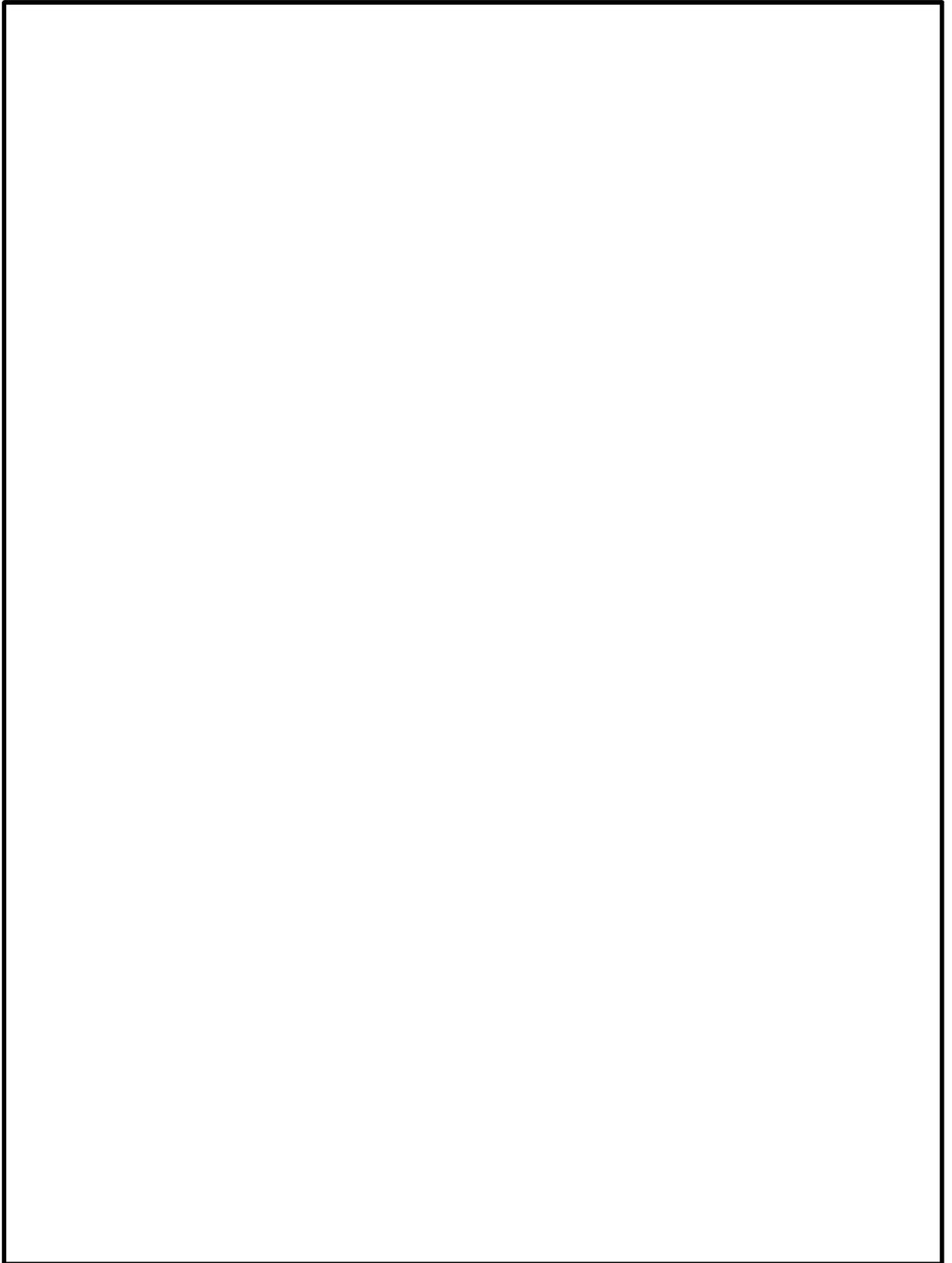
The undersigned hereby acknowledges receipt of a copy of the Offering Memorandum.

(b)(4)

(b)(4)



(b)(4)





**Acceptance of Operating Agreement**

The Subscriber hereby accepts, adopts and agrees to be bound by each and every provision contained in the Operating Agreement and to become a [Member/Partner] thereunder.

**Governing Law**

This Subscription Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Subscription Agreement, or any matters whatsoever arising out of or in any way connected with this Subscription Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

**Units, Payment and Ownership**

The Subscriber is subscribing to purchase the number of Units specified below at a price of \$\_\_\_\_\_ per Unit.

Number of Units	_____	Units
Price per Unit	\$	_____
Amount of enclosed payment:	\$	_____

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement as of the date set forth below.

_____	_____	_____
Name of Subscriber (print)	Signature	Date

**ACCEPTANCE OF SUBSCRIPTION**

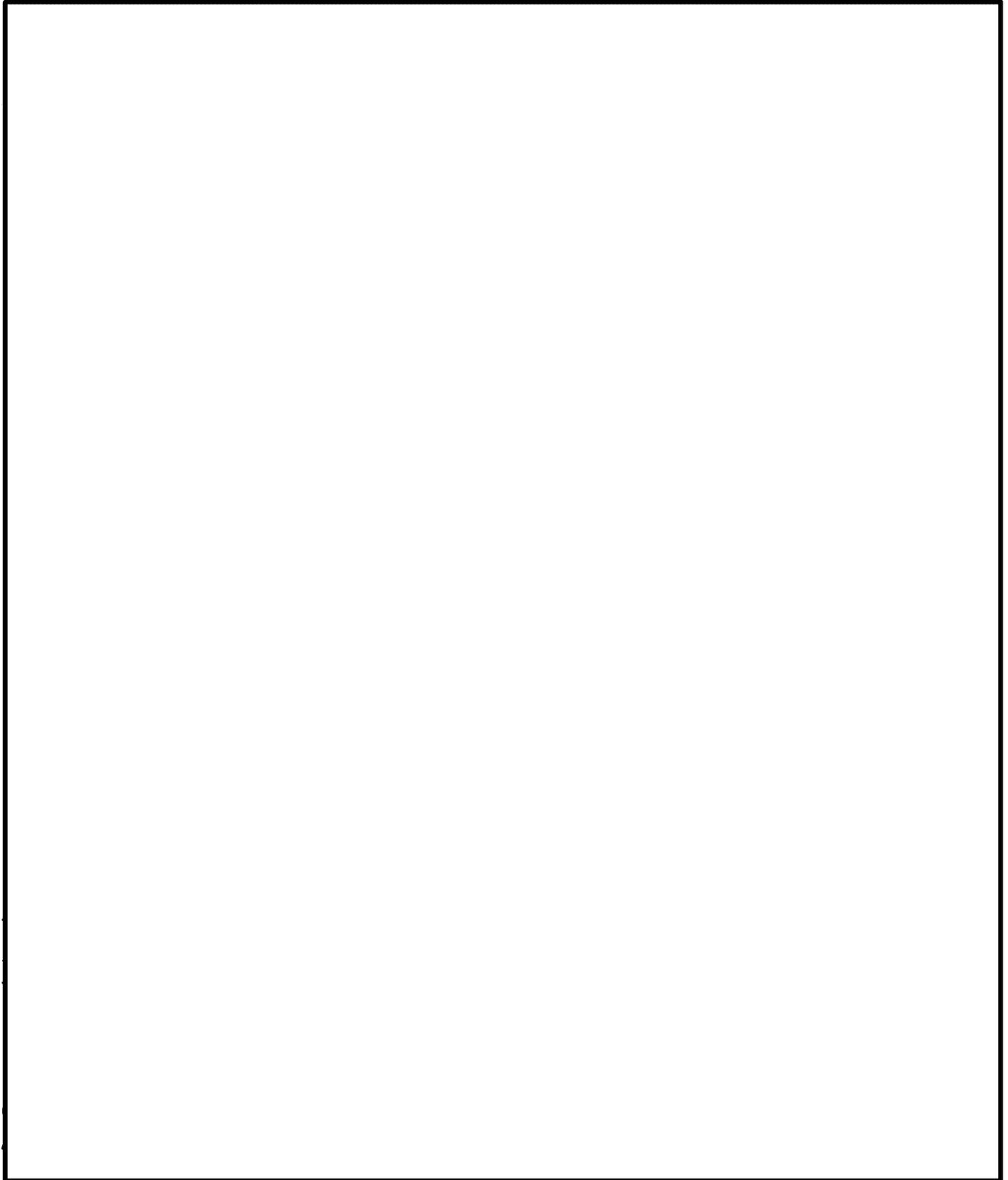
The foregoing subscription is hereby accepted as to \_\_\_\_ Units by the [Manager(s)/ Managing Member(s)/ Partner(s)] for and on behalf of [COMPANY NAME], this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Name of [Manager(s)/ Managing Member(s)/ Partner(s)] (print)	Signature	Date
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**CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement ("Agreement") is made and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Great Lakes Regional Center, LLC** (the "Regional Center") and \_\_\_\_\_ ("Recipient"), an attorney or an agent or an advisor.

(b)(4)





**7. Governing Law and Equitable Relief.** This Agreement shall be governed and construed in accordance with the laws of the United States and the State of Illinois and Recipient consents to the exclusive jurisdiction of the state courts and U.S. federal courts located there for any dispute arising out of this Agreement. Recipient agrees that in the event of any breach or threatened breach by Recipient, Regional Center may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect Regional Center against any such breach or threatened breach.

**8. Final Agreement.** This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

**9. No Assignment.** Recipient may not assign this Agreement or any interest herein without the Regional Center's express prior written consent.

**10. Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

**11. Notices.** Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services.

If to Regional Center:

**Great Lakes Regional Center, LLC  
20 N. Wacker Drive, Suite 2200  
Chicago, IL 60606**

If to Recipient:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**12. No Implied Waiver.** Either party's failure to insist in any one or more instances upon strict performance by the other party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or delay in performance of any term hereof.

**13. Headings.** Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

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

Regional Center:

**Great Lakes Regional Center, LLC**

By: David B. Anderson

\_\_\_\_\_  
Signature

[Date]

Recipient:

Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Signature

[Date]

**PREORGANIZATION SUBSCRIPTION AGREEMENT OF [COMPANY NAME]**

This **PREORGANIZATION SUBSCRIPTION AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between an entity known as \_\_\_\_\_ and the Subscribers whose signatures appear on the signature page hereof.

**WITNESSETH:**

WHEREAS, it is proposed to organize under the Illinois Business Corporation Act of 1983 a corporation to be known as \_\_\_\_\_ or by such other name as the incorporator may select; and

WHEREAS, the aggregate number of shares that the corporation shall be authorized to issue is \_\_\_\_\_ of common stock.

Class	Par Value (if any)	Number of Shares Issued
Common		

All of the shares of the corporation presently authorized shall be issued so that such shares are "section 1244 stock" within the meaning of Section 1244 of the Internal Revenue Code of the United States, and shall be issued by the corporation for money or property (other than stock or securities), as a contribution to capital, for no more than a total of \$1,000,000.

WHEREAS, it is proposed that said corporation shall be organized for the transaction of any or all lawful purposes for which corporations may be incorporated under the Illinois Business Corporation Act of 1983, and for such other purposes as the incorporator may determine.

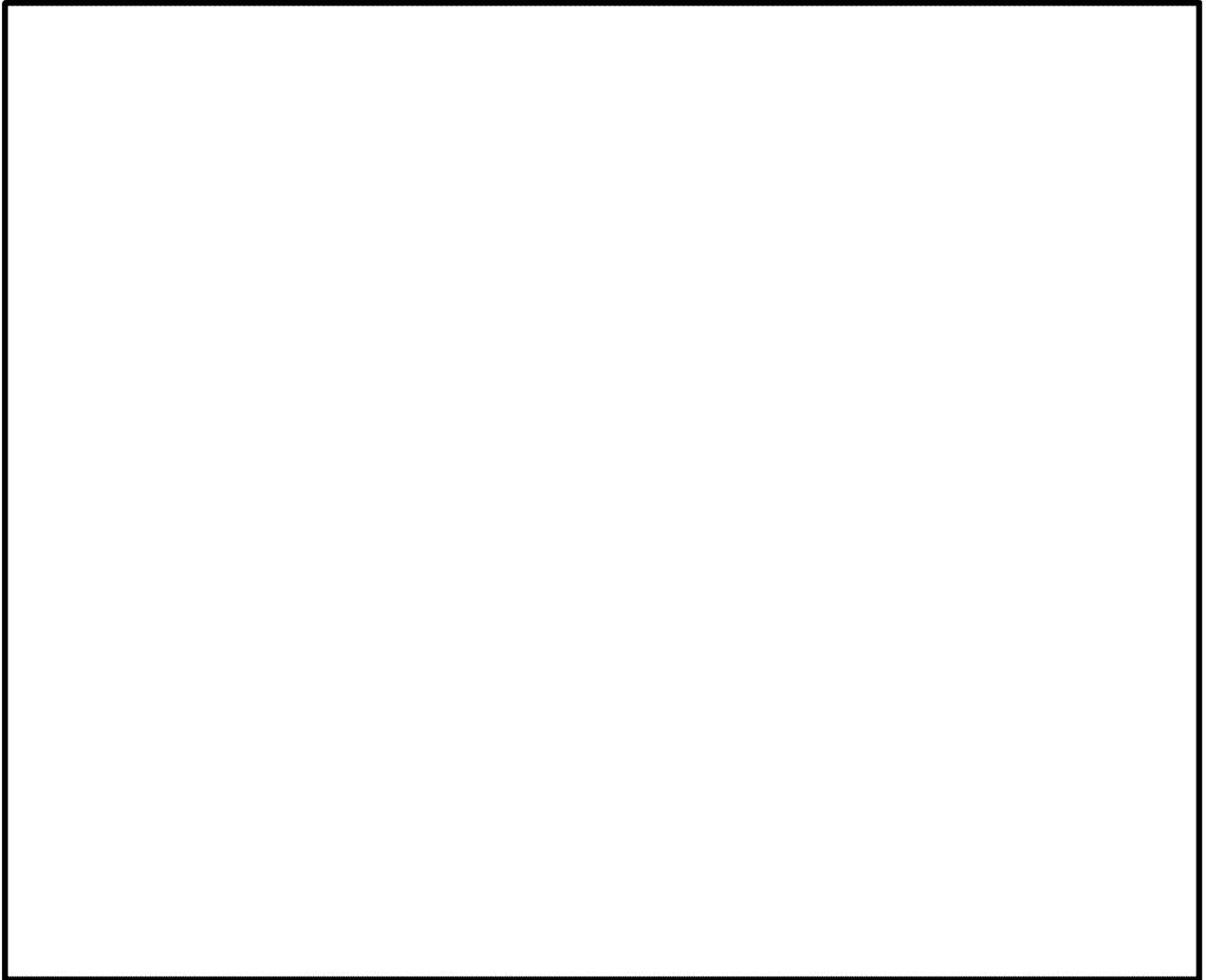
**ARTICLE I**

**SUBSCRIPTION**

- (b)(4) 1. **NOW, THEREFORE**, we, the undersigned, severally subscribe for the number of shares of said proposed corporation set forth on **Exhibit A** and agree to pay therefor the price per share for the common shares set forth on the same.

(b)(4)

**ARTICLE II  
REPRESENTATIONS**



**ARTICLE III  
ACKNOWLEDGEMENTS**

The undersigned acknowledges understanding of the following in connection with the purchase of the Securities:

(b)(4)



(b)(4)



**ARTICLE IV**

**LEGENDS**

The undersigned is aware of any and all restrictions imposed by law, by the corporation, and by agreement on the further sale or distribution of the Securities, including without limitation required holding periods, stop transfer orders, buy-back rights of the corporation and its shareholders.

(b)(4)

**ARTICLE V**

**NO SECURITIES REGISTRATION**



**SUBSCRIBER:**

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**

<b>SUBSCRIBER</b>	<b>SHARES</b>	<b>PRICE PER SHARE</b>

P



U.S. POSTAGE

\$16.85

PM 2-DAY

60123 0004

Date of sale

08/08/13

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**PRIORITY MAIL 2-DAY™**

SHIP TO:

USCIS

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Attn: EB-5 Processing Unit

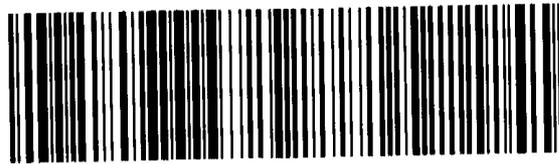
24000 Anita Rd 2nd Flr

LAGUNA NIGUEL CA 92677



**USPS TRACKING NUMBER**

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and International Use



From **GLRC**  
**20 N. WACKER DR. STE.**  
**CHICAGO, IL 60606<sup>2200</sup>**

TO

**U.S. CITIZENSHIP AND  
IMMIGRATION SERVICES**

Label 228, January 2008

**CALIFORNIA SERVICE CENTER**  
**ATTN: EB-5 PROCESSING UNIT**  
**24000 AVILA RD. 2ND FLOOR**

**LAGUNA NIGUEL, CA 92677**

FROM..

TO:



Great Lakes Regional Center

**GREAT LAKES REGIONAL CENTER, LLC**

**BINDER 2**  
**JOB CREATION PROPOSALS**

**TABLE OF CONTENTS**

GLRC I w/I-526 <sup>1</sup>

GLRC II w/I-526 <sup>2</sup>

PROJECT 3 w/o I-526 <sup>3</sup>

PROJECT 4 w/o I-526 <sup>4</sup>

PROJECT 5 w/o I-526 <sup>5</sup>

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**Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)**

Classification _____	Action Block	Fee Receipt
Priority Date _____		To be completed by Attorney or Representative, if any <input type="checkbox"/> G-28 is attached Attorney's State License No. _____
Remarks:		

**START HERE - Type or print in black ink.**

**Part 1. Information About You**

Family Name  Given Name  Middle Name

In care of Street Number and Name:

Address:  Apt. Number

City  State or Province  Country  Zip/Postal Code

Date of Birth (mm/dd/yyyy)  Country of Birth  Social Security # (if any)  A # (if any)

If you are in the United States, provide the following information: Date of Arrival (mm/dd/yyyy)  I-94 #

Current Nonimmigrant Status  Date Current Status Expires (mm/dd/yyyy)  Daytime Phone # with Area Code

**Part 2. Application Type (Check one)**

- a.  This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.
- b.  This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.
- c.  This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

**Part 3. Information About Your Investment**

Name of commercial enterprise in which funds are invested (Required Field - Do Not Leave Blank)

Street Address

Phone # with Area Code  Business organized as (corporation, partnership, etc.)

Kind of business (e.g. furniture manufacturer)  Date established (mm/dd/yyyy)  IRS Tax #

RECEIVED: \_\_\_\_\_ RESUBMITTED: \_\_\_\_\_ RELOCATED: SENT \_\_\_\_\_ REC'D \_\_\_\_\_



**Part 3. Information About Your Investment (Continued)**

Date of your initial investment (mm/dd/yyyy)	<input type="text"/>	Amount of your initial investment	\$ <input type="text" value="000,000,500,000.00"/>
Your total capital investment in the enterprise to date	\$ <input type="text" value="000,000,500,000.00"/>	Percentage of the enterprise you own	<input type="text"/> (b)(4)

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person, and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc.

If you indicated in **Part 2** that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State:

County	<input type="text" value="COOK"/>	State	<input type="text" value="ILLINOIS"/>
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**Part 4. Additional Information About the Enterprise**

**Type of Enterprise (check one):**

- New commercial enterprise resulting from the creation of a new business.
- New commercial enterprise resulting from the purchase of an existing business.
- New commercial enterprise resulting from a capital investment in an existing business.

**Composition of the Petitioner's Investment:**

Total amount in U.S. bank account .....	\$	<input type="text"/>
Total value of all assets purchased for use in the enterprise.....	\$	<input type="text"/>
Total value of all property transferred from abroad to the new enterprise.....	\$	<input type="text"/>
Total of all debt financing.....	\$	<input type="text"/>
Total stock purchases.....	\$	<input type="text"/>
Other (explain on separate paper).....	\$	<input type="text"/>
<b>Total</b>	\$	<input type="text"/>

**Income:**

When you made the investment.....	Gross	\$	<input type="text"/>	Net	\$	<input type="text"/>
Now.....	Gross	\$	<input type="text"/>	Net	\$	<input type="text"/>

**Net worth:**

When you made investment.....	Gross	\$	<input type="text"/>	Now	\$	<input type="text"/>
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**Part 5. Employment Creation Informa**

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? [ ] Now [ ] Difference [ ]

How many of these new jobs were created by your investment? [ ] How many additional new jobs will be created by your additional investment? [ ]

What is your position, office, or title with the new commercial enterprise?

MEMBER

Briefly describe your duties, activities, and responsibilities.

AS PER GLRC INVESTMENT FUND I, LLC'S OPERATING AGREEMENT - SEE APPENDIX A

What is your salary? \$ [ ] What is the cost of your benefits? \$ [ ]

**Part 6. Processing Information**

Check One:

- The person named in Part 1 is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.
 If the petition is approved and the person named in Part 1 wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality: [ ]

Country of current residence or, if now in the United States, last permanent residence abroad: [ ]

If you provided a United States address in Part 1, print the person's foreign address:

[ ]

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

[ ]

Are you in deportation or removal proceedings? [ ] Yes (Explain on separate paper) [ ] No

Have you ever worked in the United States without permission? [ ] Yes (Explain on separate paper) [ ] No

**Part 7. Signature** Read the information on penalties in the instructions before completing this section.

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature [ ] Date [ ]

NOTE: If you do not completely fill out this form or fail to submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.

**Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)**

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

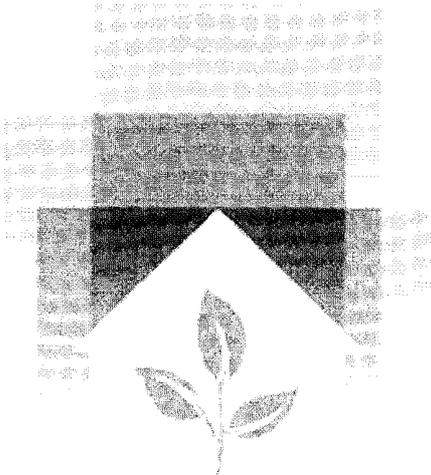
Signature [ ] Print Your Name [ ] Date [ ]

Firm Name [ ] Daytime phone # with area code [ ]

Address [ ]



# Business Plan – GLRC INVESTMENT FUND I, LLC



bennett  
day school

*This document contains confidential and proprietary information belonging exclusively to  
GLRC Investment Fund I, LLC.  
This is a business plan. It does not imply an offering of securities.*

*Bennett  
Day  
8/12*

**Table of Contents**

Table of Contents..... 2

Section 1 • GLRC Investment Fund I, LLC..... 3

    Section 1.1 Investment Summary..... 3

    Section 1.2 Qualification Points – EB-5 Investment Designation ..... 4

    Section 1.3 Investment Program Summary ..... 4

    Section 1.4 Active vs. Passive Investment ..... 5

    Section 1.5 Privacy Policy..... 5

    Section 1.6 Exit Strategy Options..... 5

    Section 1.7 Application Process..... 5

    Section 1.8 Investor Tax Considerations..... 7

Section 2 • Investor Administration and Documentation ..... 7

    Section 2.1 Investor Qualifications and Credits..... 7

    Section 2.2 Investor Information Requirements ..... 7

    Section 2.3 Sources of Funds ..... 8

    Section 2.4 Summary, Investor Remittance Requirements..... 10

Section 3 • Legal and Risk Planning ..... 11

    Section 3.1 LLC Creation ..... 11

    Section 3.2 Due Diligence ..... 11

    Section 3.3 Document Review and Verification Policy..... 13

    Section 3.4 Risks..... 13

Section 4 • Project Company – Bennett Day School ..... 15

    Section 4.1 A Founders Story – By Cameron Smith..... 15

    Section 4.2 Legal Form of Ownership ..... 17

    Section 4.3 Specific Industry Focus..... 17

    Section 4.4 Geographic Location ..... 17

    Section 4.5 Project Company Contacts..... 17

    Section 4.6 Financing ..... 18

    Section 4.7 Company Overview ..... 18

    Section 4.8 The Bennett Model ..... 23

    Section 4.9 Operating Assumptions..... 29

    Section 4.10 Market Demographics..... 30

    Section 4.11 Communication and Marketing..... 35

    Section 4.12 Demand and Competition..... 35

    Section 4.13 Source and Use of Funds..... 43

    Section 4.14 Financial Highlights ..... 44

    Section 4.15 Job Creation Information ..... 46

    Section 4.16 Project Timeline ..... 49

Appendices..... 50

    Appendix A – GLRC I Offering Documents..... 50

    Appendix B – GLRC I Financials ..... 51

    Appendix C – Artist’s Renderings of Bennett Day Project ..... 52

    Appendix D – Project Company Financials ..... 54

**Section 1 • GLRC Investment Fund I, LLC**

*Section 1.1 Investment Summary*

GLRC Investment Fund I, LLC. ("GLRC I") was organized with the Secretary of State of Illinois pursuant to the Illinois Limited Liability Company Act on July 31, 2013.

GLRC I intends to raise equity funding through the offering of Membership Units (the "Units") to foreign investors who are seeking an EB-5 visa under the Immigrant Investor Program (the "Program"). The Units will be offered and sold outside of the United States to individuals who are "non-U.S. Persons" and who meet the investor suitability standards described in the offering documents which can be found in Exhibit A.

- (b)(4) GLRC I is governed by an operating agreement (the "Operating Agreement"), a copy of which can be found in Exhibit A. GLRC I will offer [REDACTED]  
[REDACTED] GLRC I's offering documents in Exhibit A are incorporated herein by reference.

The Classes and Membership Units of the GLRC I are as set forth in the table below.

(b)(4)

[REDACTED]
------------

The Project Company is located within a Targeted Employment Area ("TEA"); therefore each of the Investors would be purchasing a minimum of 100 of the \$5,000 Membership Units for a total investment of \$500,000 each. Each Class C Member would then own 12.143% of GLRC I.

GLRC I's financial projections can be found in Exhibit B.

### *Section 1.2 Qualification Points – EB-5 Investment Designation*

This business plan will discuss in detail all aspects of the proposed investment and coverage of the basic and detailed requirements for designation as a qualified investment under the Program including:

1. The creation of a minimum of 10 jobs per Investor
2. The creation of a new enterprise
3. A reasonable level of risk to the Investors
4. Participation of Investors in policy-making decisions for the enterprise
5. Providing an exit strategy for Investors
6. Details of distributions for Investors
7. Administrative compliance in terms of full reporting of GLRC I's activities and results

### *Section 1.3 Investment Program Summary*

Investment capital for the Loan Fund will be raised through the Program, offered exclusively to Investors seeking to gain the benefits of the Program, which include the following:

- Living and working in the U.S.
- No employment authorization requirement to accept employment
- Ability to develop and run a business
- Ability to sponsor green cards for family
- Ability to travel outside of the U.S. and return without a visa
- Education benefits of permanent residents, such as admission to state universities at resident costs
- Ability to become a U.S. citizen once the Investor has been a permanent resident for more than 5 years

The Program has no requirements regarding age, business training, language skills and experience. Permanent residents need not be continuously and physically present in the U.S., and they can maintain business and professional relations in their country of origin.

The Program also allows Investors a great deal of freedom because it does not require these investors to manage their investment on a daily basis, but rather, to “actively engage” in a business enterprise. This means that the Investor can be a member of GLRC I, while they are able to pursue other professional or personal ventures at the same time.

Moreover, should an Investor and his or her family elect to become U.S. citizens, the time spent as conditional permanent residents is credited towards the five year lawful permanent residency requirement for U.S. citizenship. As a permanent resident, an Investor and his or her family are free to return to their homeland for visits or business purposes, as long as a residence is maintained in the United States.

In exchange for their investment, each Investor will be offered the opportunity to receive Conditional Status, which can later be converted to permanent residency.

(b)(4)



*Section 1.5 Privacy Policy*

In order to protect the privacy of its Investors, GLRC I will establish a policy not to disclose the names of its Investors without the Investor's prior agreement unless required to do so by law. However, each Investor has the legal right of access to names, contact information, and percentage of ownership of the other Members of GLRC I.

*Section 1.6 Exit Strategy Options*

(b)(4)



*Section 1.7 Application Process*

To become an Investor GLRC I, a Potential Investor will take the following steps:

- | <b>STEP</b> | <b>IMMIGRATION PROCESS</b>  |
|-------------|---|
| 1           | Investor researches website, is referred by an agent or receives marketing materials. Investor registers via website, email, fax or in writing. |
| 2           | Investor receives description of project, wire transfer instructions, Subscription Agreement, Capital Escrow Agreement, Escrow Agreement for    |

(b)(4) Service Fees and Subscriber Suitability Questionnaire.

- 3 Investor signs and returns Escrow Agreement for Service Fees and wires  Service Fee to GLRC I's Escrow Account.
- 4 Investor completes, signs and returns Subscriber Suitability Questionnaire, Subscription Agreement and Capital Escrow Agreement. Investor receives Offering Memorandum and Operating Agreement for review. Investor signs and returns Operating Agreement.
- 5 Upon acceptance, Investor remits capital investment (minimum of \$500,000 USD) to GLRC I's Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.
- 6 Investor submits all documents required for filing I-526 with USCIS to their Legal Representative.
- 7 Investor's Legal Representative prepares I-526 filing for USCIS.
- 8 I-526 Petition and Notification.
- 9 Investor elects adjustment of status or consular processing.
- 10 Upon approval of the I-526 Petition, (a) if the Investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the Investor must wait for notification from the National Visa Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the Investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.
- 11 Once issued conditional permanent resident status (I-526 approval) the clock starts ticking! Job creation (10 full-time positions per Investor) must take place during the two year period following approval of the I-526. The Investor may then file an I-829 Petition to request that conditional status be removed.
- 12 Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.

The application process detailed above is for general information and guidance only. Actual

procedures will vary according to individual circumstances.

### *Section 1.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the Investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the Investor plans to continue working or investing in his or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

## Section 2 • Investor Administration and Documentation

### *Section 2.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify Potential Investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

### *Section 2.2 Investor Information Requirements*

- Master Documents
- Passport
- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature
- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates

- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

### *Section 2.3 Sources of Funds*

Sources of Investor funds will be verified, with a comprehensive review of all documentation. GLRC I requires that each Investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the investment.

Types of investment sources that are to be thoroughly detailed by the Investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the Investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment
  - Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the Investor
  - Approximate annual cost of fringe benefits
  - Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
  - Earnings distribution to the Investor that will be used to fund the investment
- Net Proceeds from the Sale of a Business. Again the information and documentation required is substantial, including:
  - Gross proceeds, as verified by the sales contract
  - Expenses associated with the sale
  - Net sale proceeds, including any deferred payments and a schedule of such payments
  - Investor's net proceeds from the sale
  - Total cash collected by the Investor from the sale including information on funds

- already expended or deposited elsewhere
- Net amount to be used for the investment

In support of this information, the Investor will be required to submit:

- Incorporation or other organizational documents of the business
  - Stock certificates (or other evidence of ownership)
  - Closing statement for the sale of the business
  - Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- Net Proceeds from the Sale of Real Estate. For this source, the Investor must supply:
    - Street address and full description of property
    - Date acquired and initial investment plus any additional investments
    - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
    - Date property sold, net sales price, and net price after selling expenses
    - Name and address of purchaser, as well as type of entity
    - Amount used to pay mortgages/debt payments and other owners
    - Net amounts being used to fund the investment
  - Net Proceeds from the Sale of Investments or Other Assets. Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
  - Employment earnings. The Investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net earnings for the past five years.
  - Income or other Tax Refunds. Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.
  - Loans. The Investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category, the Investor must provide additional documentation, including:
    - Copy of bank statement showing the deposit of the loan proceeds
    - Copy of promissory note and security agreement(s), as applicable
    - Copy of loan closing statement, if applicable
  - Gifts. For gifts, in addition to providing the giver's information and type of entity, the Investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the Investor must provide:

- Copy of bank statement showing the deposit of the proceeds from the gift
- Copy of any relevant correspondence regarding the gift
- Inheritance. For proceeds from inheritances, the Investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the investment. Again, the primary source of the decedent’s funds must be identified, in order to establish the legitimacy of the original source of funds. The Investor must provide:
  - Copy of bank statement showing the deposit of inherited funds
  - Copy of legal or other relevant correspondence regarding the inheritance
- Retirement Funds. If using retirement funds for the investment, the Investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the investment. Documentation required includes:
  - Copy of statement of account showing the balance in the retirement account, if applicable
  - Copy of other relevant correspondence regarding the retirement account
- Support from a Parent/Relative/Guardian or Other Person. In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the Investor must provide information regarding any repayment obligation related to these support payments. For this category, the Investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor’s expense, to GLRC I in both the original form of the document and with a certified translated copy in English. While it is the ultimate responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, GLRC I will conduct an internal review to ensure that the Investor is in fact qualified for the Program.

*Section 2.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount <span style="float: right;">(b)(4)</span>
Service Fees (in accordance with the terms as set forth in the Subscription Agreement and the Escrow Agreement for Service Fees)	<div style="border: 1px solid black; width: 80px; height: 25px; margin: 0 auto;"></div>
Capital Investment (in accordance with the terms set forth in the	\$500,000

### Section 3 • Legal and Risk Planning

#### Section 3.1 LLC Creation

GLRC Investment Fund I, LLC (the “LLC”) was formed as a Limited Liability Company in the State of Illinois on July 31, 2013. A limited liability company is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

#### Section 3.2 Due Diligence

Under USCIS regulations the Investor must demonstrate that their assets were gained in a lawful manner. The Investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

GLRC Investment Fund I, LLC requires an Investor to reveal where and how they received their assets that are used for qualifying for the EB-5 program. This may be accomplished through certificates by the Investor’s licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, GLRC I will require proper documentation from the Investor. The Investor is required, at the Investor’s expense, to furnish the documentation to GLRC I in both the original form of the document and with a certified translated copy in English. Upon receipt, GLRC I will perform a 4-step review process.

**Financial Documents to Establish Source of Funds:** The Investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

**Transfer of Funds:** The Investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

(b)(4)

**Financial Statements:**

Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the Investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the Investor and each qualifying household member of the Investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the Investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the Investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least 6 months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

*Section 3.3 Document Review and Verification Policy*

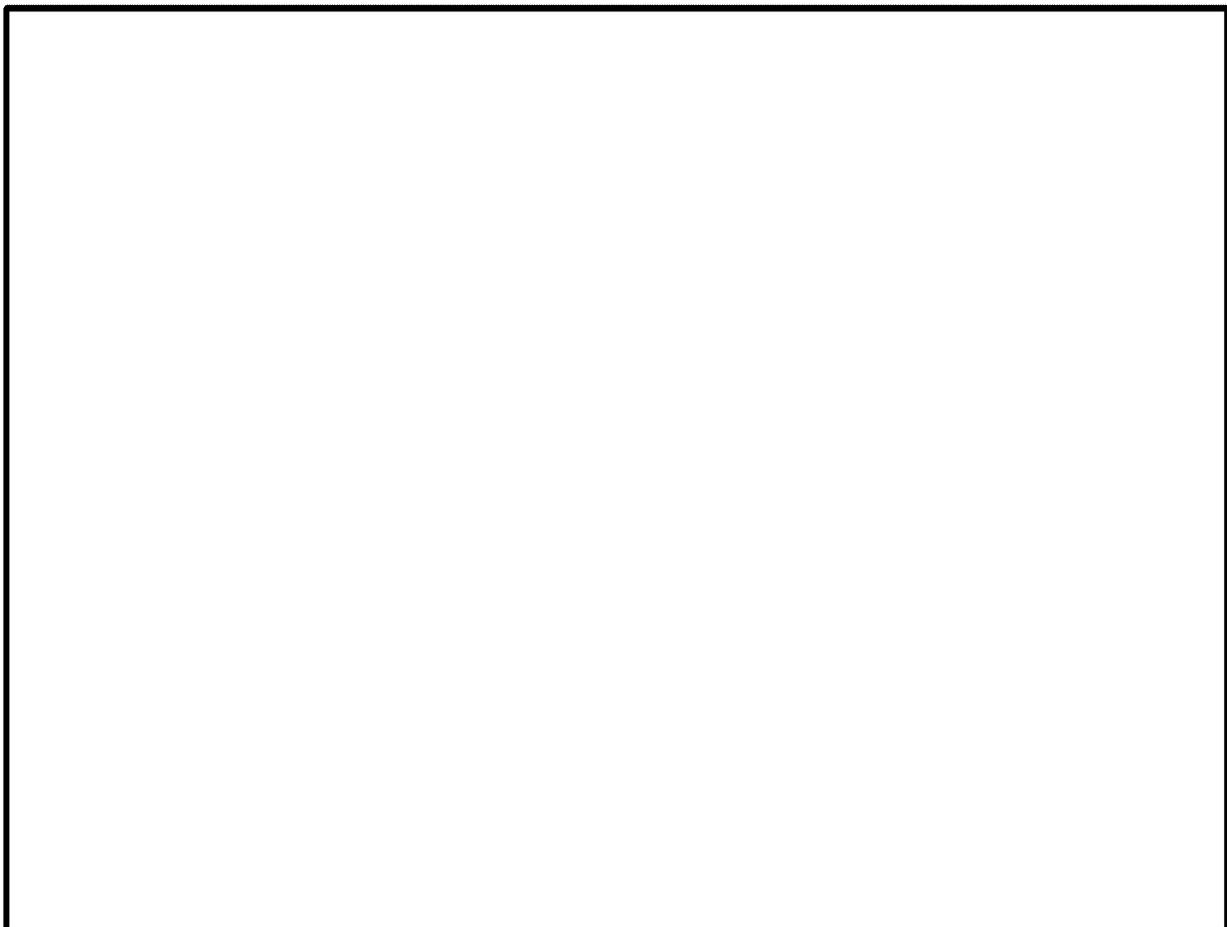
Financial source of funds document will be fully reviewed at several separate levels:

- The Escrow/Funds Transfer Agent
- GLRC I's Bank
- GLRC I's CPA firm
- The Investor's U.S. Immigration Counsel
- GLRC I's Members

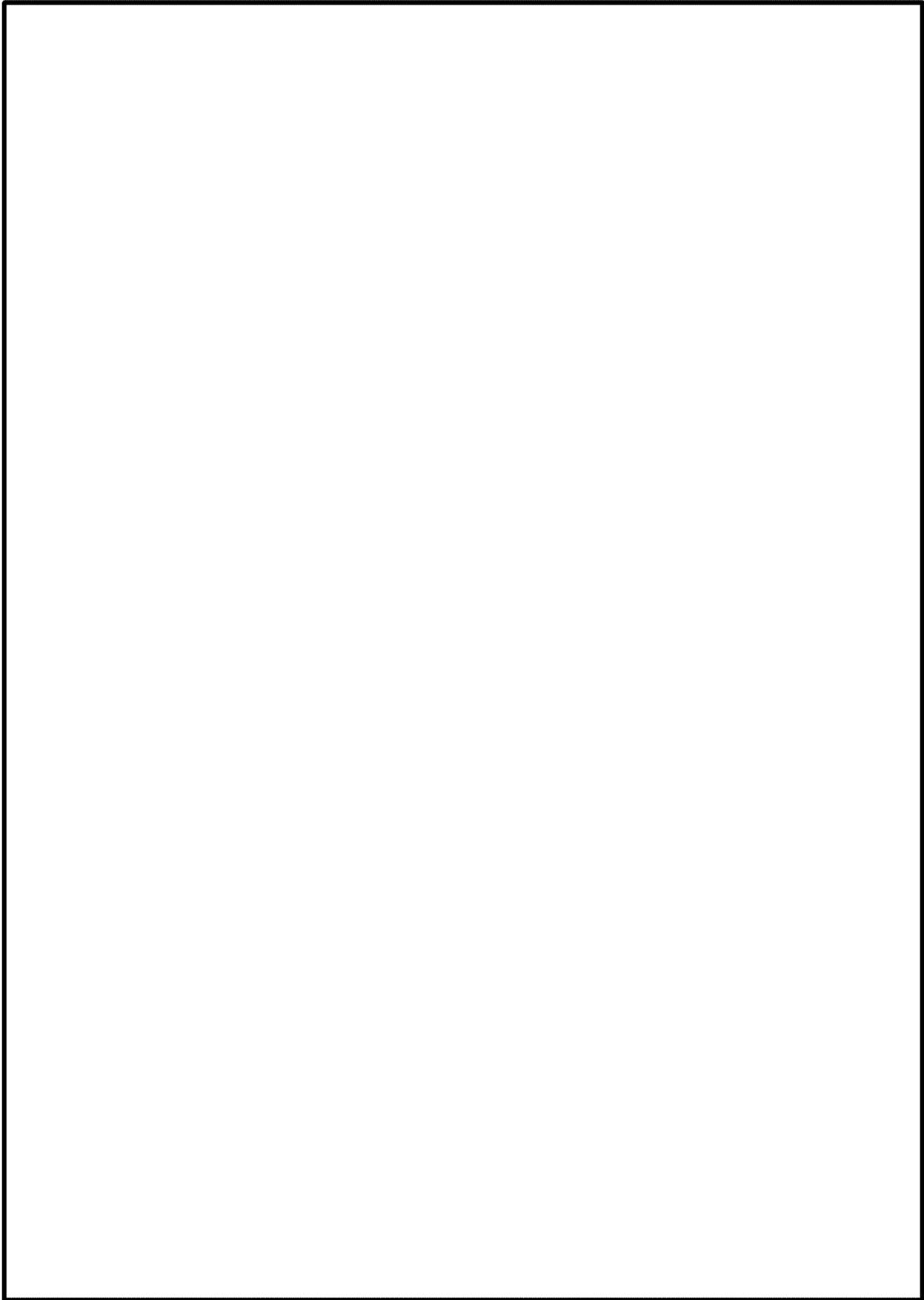
The initial review process will focus on the type of payment and the information provided by the Potential Investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the Investor is incomplete or suspicious in any way, the Investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the Potential Investor, the Potential Investor's subscription will be rejected and investment funds returned to the Investor in accordance with the Capital Escrow Agreement and the Escrow Agreement for Service Fees.

(b)(4)

*Section 3.4 Risks*



(b)(4)





Each prospective Investor should consult competent immigration counsel to review the likelihood that the Investor's I-526 Petition will be granted.

#### **Section 4 • Project Company – Bennett Day School**

##### *Section 4.1 A Founders Story – By Cameron Smith*

Bennett Day School was just a dream when my wife and I became parents a few short years ago. We had started thinking about our son's education long before he was born, and as we discussed our future, we knew we wanted to continue to live and work in downtown Chicago so that the diverse resources of this world class city would be at our doorstep. But like many Chicagoans, we wondered whether that would be feasible with school-age children.

We had heard urban legends about getting onto waiting lists for Chicago independent schools while children were still in the womb. Was that really true? Despite this undoubtedly competitive process, we began to wonder if any school, public or independent, charter or parochial, would even offer the kind of education we wanted for our son and imagined other parents wanted too. And if that school didn't exist, what would we do?

##### *Inspirations & Philosophy*

While reflecting on my own education, my thoughts turned warmly to my time in business school at Kellogg. There, the process of learning was about creative problem solving, project-based inquiry, collaboration, and teamwork. I wondered if that type of learning experience existed for younger students. The first people I thought to ask were my mother and sister, both elementary school teachers, who helped me begin to study the various forms of PK-8 education. I then dedicated myself to a broad exploration of forward-thinking educational organizations from around Chicago and the world.

I quickly found that top students in the United States rank far behind their peers in countries like Singapore and Finland. If we are not doing enough to nurture and encourage the natural talents of our high achievers, we must adapt more readily like the schools in these education-rich societies do. The standard U.S. school model, rooted in the industrial factory age, hardly

represents a progressive PK-8 learning environment. I learned about an alternative approach developed in Italy, the Reggio Emilia philosophy, which emphasizes key life skills like inquiry, innovation, teamwork, resilience, perseverance, and critical thinking. This approach reminded me of my experience at Kellogg! Google, a company known for being responsive and continually evolving, embraces this philosophy in its early childhood centers and their commitment to innovation and creativity.

During my initial exploration of Reggio Emilia, I happened to be reading *Outliers* by Malcolm Gladwell. It was inspiring to reflect on how exceptional people benefit from an accumulated set of advantages built over time from a young age, including access to new technologies and ideas, one's education, and the ability to foster personal relationships.

More and more, we are learning that professional success has less to do with IQ and more to do with CQ. Around the time I read *Outliers*, a *Newsweek* article highlighted long term research that showed how students with a high Creativity Quotient (CQ) are three times as likely to become entrepreneurs, doctors, inventors, college presidents, authors, diplomats, software developers, and other successful, innovative professionals.

But creativity is rarely, if ever, considered in conventional academic measurements. The IQ test, developed over a century ago, can't factor in what we now know about our brain's Multiple Intelligences, following groundbreaking research from Howard Gardner of Harvard University. Creativity can be learned, cultivated, and observed. How can we foster the growth of the next Bill Gates, Marie Curie, or Steve Jobs?

We need more great schools, particularly in Chicago. After all our research, we felt even more confident and excited to create a unique place like Bennett Day School to help children find, discover, and explore their passions by incorporating best practices from around the globe. Our children deserve the chance to be innovators, entrepreneurs, and agents of change --to better themselves and their world.

In bringing these philosophies to life in a single school, we thought, why not innovate further? To us, world languages also include computer language. Moreover, we created a schedule that provides our faculty with time and space to: collaborate, share best practices, reflect, and document the type of learning that is predictive of future success but cannot easily be tested with pen and paper. This crucial activity occurs weekly, therefore student class time concludes with a half-day on Fridays. This same time allows our students to explore new ideas and places both at our school in our Tinker Labs and outdoor green space as well as in the city as a classroom with family and friends.

Bennett Day School will offer time and space for students to follow their passions while also ensuring a rigorous, comprehensive education in all key disciplines.

*In Conclusion*

It can be daunting to try something new, especially when it impacts your family and your child's future. But it is also the chance for magic to happen. My son's education is too important, as is that of your own children, to simply hope things get better or to risk betting on a waiting list. Through bold action, thoughtful leadership, community support, and commitment to our vision, Bennett Day School is prepared to be an incredible place for my children and yours alike. Just like any parents, my wife and I want a school that will support our children academically, emotionally, and creatively. A school dedicated to building community, fostering innovation, attracting the best teachers, and producing innovative, forward-thinking scholars. In pursuing their natural love of learning, Bennett Day School students will change the world. That is what education is meant to accomplish.

#### *Section 4.2 Legal Form of Ownership*

Bennett Day School, Inc. (also referred to herein as "Bennett") is a corporation organized in the State of Delaware.

BENNETT DAY SCHOOL, INC.  
Agent: James L. Jerue  
500 W Madison St., Suite 3700  
Chicago, IL 60661  
[www.bennettday.org](http://www.bennettday.org)

#### *Section 4.3 Specific Industry Focus*

Bennett's primary industry focus is:

- ❖ NAICS 611 - Educational Services

#### *Section 4.4 Geographic Location*

Bennett Day will begin with its first location at 955 W Grand Ave. on the near north side of the city of Chicago, Illinois. Subsequent locations are targeted for additional Chicago neighborhoods and preference will be given to areas qualifying as Targeted Employment Areas ("TEA"s) as defined by USCIS.

#### *Section 4.5 Project Company Contacts*

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*Section 4.6 Financing*

(b)(4)



*Section 4.7 Company Overview*

**Mission**

Bennett’s mission is to provide a collaborative culture that nurtures children’s innate sense of inquiry and curiosity. Bennett is committed to advancing creativity, innovation, and the development of lifelong learners and leaders.

**Vision**

Bennett strives to be a progressive school that provides unparalleled experiences – through its program offering, instructional approaches, and nurturing environment – that will shape students for a fulfilling, successful, and impactful life. Compelled by curiosity, immersed in complex questions about the world around them, and supported by a diverse faculty and peer population, Bennett students will ask and seek the answers to those questions that derive from creativity and innovation. Individual and collaborative learning will be central to the work of the school day. Students and teachers will be held to the highest standards, not simply in terms of final outcomes, but in the planning and realization of their own learning.

Bennett is not a desk and chalkboard institution but rather a center, a laboratory, where students develop ideas and understanding, pursue passions and dreams, and hold themselves and their colleagues accountable for shared and individual work. Because school life at Bennett will embrace and celebrate the world outside as well as the world within, natural extensions of community awareness and service will play a central role in what motivates Bennett’s work. Understanding the world around them, students will see what is and what should be and tap into innovative thinking to make change a reality.

In realizing Bennett's mission and vision, Bennett embraces:

- A student, faculty, and family body devoted to academic and socially responsible learning and doing;
- A culture of high expectations, accountability, and transparency;
- A mindset of continuous growth and learning;
- A physical space that inspires imagination and promotes well-being;
- An inclusive and equitable community that celebrates diversity and multiculturalism; and
- An environment that is mindful of and dedicated to sustainable living and learning.

## Values

Bennett aspires to uphold the values of:

*Exploration.* The art of discovery is a driving force behind the Bennett program; students and teachers work together to imagine, discover, and examine new ideas and understandings in each of the core areas of study: arts, science, literature, mathematics, social studies, technology, and language.

*Academic Excellence.* Bennett's school culture demands that students, teachers, and families be ever mindful and attuned to their role in setting and reaching goals. These goals balance the personal and the collaborative as well as the intellectual and the academic. Bennett's students and teachers pose questions and ideas that provoke and inspire deep understanding and tangible growth.

*Diversity.* Bennett's community engages in thoughtful dialogue and encourages understanding of manifold perspectives including, but not limited to, learning styles, physical abilities, religious beliefs, racial and ethnic backgrounds, and family structures. These dialogues are central to Bennett's school mission since we believe from diversity of thought, experience, and history come truly innovative collaborations and outcomes.

*Integrity.* Candor is assumed in all aspects of life at Bennett; awareness of and adherence to our academic and social principles of honesty, compassion, and risk-taking support the community in all endeavors, including those times when we wrestle with conflicts. Bennett recognizes that many things don't fall along the lines of simple right and wrong and that those are often the opportunities for the richest conversations and deepest insights.

*Citizenship.* Bennett strives to have a meaningful, positive, and lasting impact on peers, communities, and society. In that vein Bennett stresses respect towards and responsibility for social and physical environments.

*Adaptability.* Bennett promotes innovation and lifelong learning by presenting dynamic programming and a challenging curriculum designed to teach strategies for adapting now and

throughout life. Regularly pausing to reflect on what a student has learned for themselves and from one another helps determine where to venture next.

## **Management Team**

*Cameron Smith - Chief Executive Officer and Co-Founder.* Mr. Smith was inspired to create Bennett Day School after the birth of his son in 2010. As a new parent, he recognized that there are very few options for progressive independent schooling in Chicago. Many parents resort to moving to the suburbs when they would prefer to continue to live, work, and learn downtown. Both the motivation to innovate and a commitment to the city inspired the creation of Bennett Day School. He is thrilled that his son will be a member of our first JK class in 2014.

Mr. Smith serves on the Board of the Namaste Charter School where he is Chair of the Investment Committee. A licensed attorney in Illinois, he is a member of the Education Law Committee of the Chicago Bar Association. As a member of the North American Reggio Emilia Alliance, Mr. Smith is energized by the ideas and best practices he observes as a regular participant at educational conferences and gatherings.

Mr. Smith was previously a Vice President at private equity firm CHS Capital LLC in Chicago where he focused on investing in education and healthcare services companies. While at CHS, he served on the Board of Royall & Company, the leading provider of strategic enrollment marketing services to traditional colleges and universities. He holds a B.S. degree from the Wharton School of the University of Pennsylvania as well as J.D. and M.B.A. degrees from Northwestern University.

*Kate Cicchelli - Co-Founder, Principal, Chief Academic Officer.* Ms. Cicchelli has over thirteen years of education experience and a passion for all things pedagogy. She was a teacher leader at the Francis W. Parker School before joining Bennett Day School. At Parker, she served on the school's Corinthian Council in both elected and appointed positions. This school body is heavily involved in administrative activities related to staff professional development, admissions, hiring, and various school-wide initiatives. Ms. Cicchelli has also served as the Faculty Advisor responsible for program curriculum and coordination for Morning Ex, an assembly program held three times per week for JK-12 students to demonstrate their knowledge and skills for the entire school. The Board of Trustees at Parker counted on Ms. Cicchelli to serve as their Lower School Representative, attending and reporting at board meetings and, in turn, sharing with the faculty issues of importance from board meetings. In the classroom, she created compelling and engaging curricula for her students, and believed in building strong relationships with other teachers, school members, and her students' families. Interested in opportunities to improve and innovate her curriculum, she was at the vanguard of efforts to utilize a math curriculum developed in Singapore, recognized by the Programme for International Assessment (PISA) as a leader in global education.

Prior to Parker, Ms. Cicchelli worked in preprimary through intermediate classrooms in teaching and leadership roles at North Shore Country Day School in Winnetka, Illinois and the Park West

Cooperative in downtown Chicago. As an educational consultant, she has been involved with a wide variety of local, national, and international projects addressing topics ranging from school design and community leadership to curriculum development. Her projects have included curriculum consulting at schools in West Africa and Central America.

Ms. Cicchelli has served as a visiting evaluation team member on multiple occasions with the Independent Schools Association of the Central States (ISACS) for schools completing their accreditation processes. She holds a B.A. in English from Kenyon College and is an alumna of the Francis W. Parker School.

*Shuchi Sharma – Co-Founder, Chief Operating Officer.* Ms. Sharma joined Bennett Day School in June 2010 as Chief Operating Officer. She works to develop and execute strategy, which includes the day-to-day operations of the school, in keeping with the mission of the Bennett Day School.

Prior to Bennett Day, she was a Co-Founder and General Manager of ADI Pediatric, a child-centered behavioral health and wellness practice in Arlington Heights, Illinois. There, she was responsible for all operations and strategic capital budgeting decisions, and relationship management across the value chain.

Ms. Sharma's work in schools and educational institutions spans the nation and globe. Previously, she worked with the Oval House Theatre's Arts in Education Program in London, the Pittsburgh Family Health Council's Student Outreach Program, and the Asian Human Services' After School Program in Chicago. In 2011, she regularly shadowed the management team at KIPP (Knowledge is Power Program) Ascend Primary School in Chicago in order to observe the successful educational and operational models employed by KIPP at more than 70 schools. She has built many key relationships for Bennett Day working with the St. Louis Reggio Collaborative, attending events with the National Association of Independent Schools (NAIS) and the Independent School Association of the Central States (ISACS), and benchmarking best practices through visits to numerous independent schools. This operational expertise is an invaluable asset to Bennett Day School.

Ms. Sharma has also authored and published technical notes and chapters on social impact measurement and performance management. She holds a B.S.B.A. and Certificate in International Business from the University of Pittsburgh, an M.A. in Italian from Middlebury College, and an M.B.A. in Strategic Management and Marketing from the IESE Business School in Spain, the #1 business school per *The Economist* in 2010 and a sister school to Harvard Business School. Ms. Sharma is an alumna of the University of Chicago Laboratory School

## **Advisory Board**

*Jie-Qui Chen – Professor, Erikson Institute.* Ms. Chen has worked in early childhood classrooms in both China and the United States. For more than 20 years she has contributed to teacher professional development efforts in Boston and Chicago Public Schools. Currently, she serves as the principle investigator for the Early Mathematics Education Project at the Erikson Institute.

A Fulbright Senior Specialist and an applied child development specialist, her work focuses on cognitive development, multiple intelligences theory, classroom assessment, early mathematics education, and school-based intervention. She authored the multiple intelligences entries for *The Encyclopedia of Education* (2nd ed., 2002) and for *The International Encyclopedia of Early Childhood Education* (2007). Her work also includes assessment and curriculum development for Head Start programs and several books on Multiple Intelligence in collaboration with Howard Gardner. Ms. Chen has a Ph.D. in Applied Child Development from Tufts University, a MA in Early Childhood Education from University of Northern Iowa, and a BA in Child Development and Early Education from Beijing Normal University.

*Cyrus Patel.* Mr. Patel brings considerable operations and strategy experience to his role as advisor for Bennett Day School. He has experience in education, consumer products, healthcare, distribution and manufacturing and has built a reputation for leading committees and board through growth. From 2009-2012 he served, as part of the Sterling Partners Accelerator program, as the VP of strategy and business planning for the Meritas Family of Schools, a network of for-profit, college prep schools serving over 11,000 students worldwide. In this role, he worked directly with the CEO of Meritas to drive operational and strategic change throughout the organization and created a strategy and business planning department that managed all strategic planning, pricing, budgeting, forecasting, and capital planning functions. Prior to Meritas, he worked for Marakan Associates, a premier management consulting firm.

Currently, Mr. Patel is managing a consumer products consulting project for Galt & Company, a boutique management consulting firm. He earned a B.A. in Economics and Government from Cornell and an MBA from the Kellogg School of Management.

*Howard A. Tullman – President and Founder of Tribeca Flashpoint Media Arts Academy.* Mr. Tullman is the President & CEO of Tribeca Flashpoint Media Arts Academy. Mr. Tullman is the General Managing Partner for the Chicago HighTech Investors and a member of Mayor Emanuel's Council of Technology Advisors and Governor Quinn's Illinois Innovation Council as well as an advisor to many technology businesses and an Adjunct Professor at the Kellogg Graduate School of Management. Over the last 40 years, in addition to founding more than a dozen high-tech companies, creating thousands of new jobs, and training dozens of talented managers who've gone on to lead their own ventures, Mr. Tullman has created, developed and achieved liquidity in excess of \$1 billion for a number of his businesses including CCC Information Services, Imagination Pilots, Coin Dealer Services, Tunes.com, Worldwide Xceed Group, Kendall College, and The Cobalt Group.

*Gail Ward.* Ms. Ward served the Chicago Public School system for more than 35 years. She has been a teacher, counselor, elementary school principal and in 2000 opened and served as the first principal of Walter Payton College Prep High School. In 2006, she was asked to serve as Chief Officer in the Office of Principal Preparation and Development. In that position, she received several grants and formed and expanded partnerships with universities and

foundations to ensure that Chicago Public School principals were prepared and supported in the work they do.

The recipient of numerous awards, Ms. Ward has worked extensively with various Chicago cultural institutions to create parent and student partnership projects that are national and international in their scope. Widely traveled, Ms. Ward studied schools in Africa, Antarctica, China, India, South America, and the Middle East.

#### *Section 4.8 The Bennett Model*

### **School Philosophy & Approach**

Bennett understands that in today's world change and adaptation move at meteoric rates and believes that education must be similarly adaptive – therefore do not teach to what was, teach to what is and what is to come. Balancing a rigorous academic approach with a powerful sense of self and self-direction to the learning process are key elements of a Bennett education. Bennett's goal is to help children fully realize their capacity to think, learn, play and create. Bennett fosters creativity and innovation.

Bennett's program is based on ideas from those of Reggio Emilia, cognitive understanding inherent to multiple intelligences and global and social awareness central in place-based education. Independent schools are free from the constraints imposed by the public school system, but are by no means reckless with a child's education. Through constant evaluation of Bennett's own practice, those in the United States and around the world, Bennett will stay on the forefront of educational best practices. Bennett will honor the rich history of progressive education and carry it forward.

Bennett will be an inquiry-based learning community, where teachers create experiences that stimulate and follow the natural curiosities and intelligences inherent in all children. Teachers will work in teams to prepare and discuss the work of the day and the overarching goals for the individual child and the community experience.

Each day, Bennett students will participate in community-fostering Morning Meetings and have an opportunity to experience the TinkerLab, an incubator for exploration, discovery, questioning, and unfolding ideas.

### **Progressive Education**

Based on the beliefs of John Dewey first published in the late 19th century, Progressive Education is a philosophy built around cooperative learning environments carefully constructed by teachers in order to build understanding through meaningful, relevant practices.

In a progressive education environment, students "learn by doing," engaging in activities and lessons which help them develop the problem solving and critical thinking skills that are essential

to participation in a modern democratic society. Rather than focusing on rote memorization, Progressive Education focuses on social learning and collaboration to achieve relevant, authentic goals.

While influenced by student interest and engagement, Progressive Education asks teachers to guide students through the process of learning, modeling and encouraging the development of skills and knowledge that are necessary to effective citizenship. Students in a progressive school are not merely passive consumers of information, but active and engaged members of a learning community that seeks to develop within all its members (both adults and children) a spirit of participation and engagement that will seamlessly translate to the larger global society.

In all ways, Bennett Day School strives to implement the ideals of progressive education. Our teachers embrace the belief that meaningful experiences with peers, environments, materials, and community help students understand the world around them and their potential for positive impact on that world. By creating dynamic learning environments, posing provocative, relevant questions and enabling student learning through hypothesizing, testing ideas, engaging in discussion about outcomes, and expressing emerging and evolved growth, students become principal authors of their academic and intellectual growth.

A Bennett Day School education uses the central areas of study, mathematics, science, language, literature, history, written expression, to build the essential life skills associated with intellectual wonderment, persistence, self-control, academic precision and drive, metacognition, social and cultural intelligence and fluency, and collaborative acuity. Our students, teachers, and families are committed to the development of new ideas and the pursuit of innovative approaches to both learning and doing.

We understand that learning is more than the bullet points and core standards determined by textbooks. Ours is a school that celebrates that beyond subject studies is the progressive education idea of collateral learning - the learning that takes place in, around, and beyond curriculum materials and occurs in each experience, intentional and incidental. We make sure to take full advantage of all types of learning, knowing that learning does not and should not happen in a vacuum. We learn from one another, our environment, our community, and from our individual and collective past and present experiences. Nurturing these interactions is the work of school.

### **Reggio Emilia Approach**

The Reggio Emilia approach to education and environment started in the Italian city following World War II. Families from around the area came together to build a school, quite literally from the rubble of buildings destroyed during the war. Working together with educator Loris Malaguzzi, these families and groups of teachers created a city-funded approach to teaching and learning that has had a lasting impact on early childhood education in Italy and around the world.

Rooted in the progressive ideals of John Dewey, Lev Vygotsky, and others, Malaguzzi developed an approach to education of the very young that focused on the relationships between young learners and their families, teachers, peers, environment, and local community. Among these groups was the central relationship between the young learner, their families and their teachers; together, this triad forms what is called co-constructive learning.

Within this model, teachers following the Reggio approach consider themselves to be co-constructors of learning. They believe each child has a unique curiosity and perspective that can and should inform the learning process in the school community. Teachers, in this perspective, are the facilitators of learning, observing each child's individual development and curiosity. They pose questions that directly respond to and expand on a child's natural interest, to support his or her movement towards deeper understanding. In Reggio Emilia schools, and those adhering to their fundamental tenets, teachers and students work in collaboration to unfold learning and growth.

Bennett Day School adopts this core approach and is also dedicated to focusing on the essential relationships between teachers. To ensure that enough time is allotted to reflect on students growth and development, as well as committed to professional reflection and enrichment, Bennett Day School has half day Fridays, giving teachers four hours of uninterrupted time dedicated to these reflections.

The Reggio Emilia approach emphasizes the importance of the environment, referred to as the child's third teacher, as a means for stimulating and inspiring learning and constructing understanding.

We embrace this approach at Bennett Day School, knowing that the space to explore, dream, construct, and deconstruct is essential to learning; with care and intention we are designing not only our classrooms but also our entire school building to embody this concept.

Family participation in the school and classroom communities is central to the workings of the Reggio Emilia schools.

At Bennett Day School, we similarly subscribe to the belief that families are the experts on their children and that by working in close collaboration with them, teachers can become more adept at providing ideal learning environments and experiences for all of their students.

It is often noted that a school outside of Reggio Emilia cannot be a Reggio Emilia school. Reggio schools are each unique to their location, community, and history.

We agree. At Bennett Day School we are building a model uniquely our own, based on the community and history of our city and neighborhoods. Using the fundamental basis we have learned from our teachers and colleagues in Reggio, we aim to incorporate the ideals they present in a way that reflects our dedication to school environments that teach to the whole child, respecting his or her intellect and curiosity, innate strengths, and emerging challenges.

## **Creativity and Innovation**

As central tenets of our school's mission, creativity and innovation are the driving forces behind a Bennett Day School education. Listening to, respecting, and tapping into a child's innate sense of curiosity and sense of wonder allows for learning and growth with breadth and depth.

We believe in fostering the creativity and innovation inherent in a child. Rooted in the ideals of progressive education and the tenets of Reggio, we also take a creative and innovative approach to our school model.

## **Inquiry-Based Approach**

*\*classroom: any space, open or contained, indoors or outdoors, where students are engaged in observation, interaction, reflection, and joyful inquiry.*

Inquiry-based learning is built around the idea that students achieve the highest degree of engagement and mastery when learning is constructed around individual and guided inquiries. In this approach to education and school life, the teacher offers context and frameworks for inquiry that empowers students to pursue open questions. Unlike more traditional closed-question education, which often only allows for teacher-supplied knowledge and single right answers, open questions have outcomes that are unclear and require careful consideration and examination. Inquiry-based learning opens the door to new questions, fostering the cycle of learning and engagement.

At Bennett, students are supported and encouraged to generate questions and then to develop and to change the approaches to answering those questions based on context provided in the learning environment. Pursuits at our school may range from scientific, mathematical, environmental, linguistic, or artistic, to an interdisciplinary approach and beyond. Work is conducted individually and with peers and teachers to reach meaningful conclusions. These, in turn, open doors to even more questions. A high level of engagement leads to truer, more authentic learning and high levels of academic success and mastery. We believe inquiry-based learning is an essential element of Creativity and Innovation, both in our school and in life.

## **Place-Based Education**

Place-based education is built around the exploration of connections and interactions between the local environment and culture. It leads to integrating the physical environment into the curriculum for learners as young as three through the high school years. Through observation, experimentation, and reflection, students and teachers working within a place-based curriculum learn about their home community, connect with real and made natural spaces, and discover the connections between the natural world, their home, and the global community. By understanding these relationships students become actively engaged in their learning and develop a sense of purpose and intent both in their education and in attending to the world

around them. Shaped in the progressive model of experiential learning found in the works of John Dewey, place-based learning leads to scholar-citizens who are actively engaged in the process of changing the world.

Bennett considers the city's role in our school program central and critical. Chicago's unique physical attributes, including the river, the lake, the prairies, and the urban landscape, offer context towards understanding the people who lived here and those who live here, around us and with us. As our students come to know one another within the walls of our school, they also observe the structure and environment. From there, there is a natural connection towards the study of our immediate community as well as the city at large. Place-based education means we look inside, creating family histories for the families in the school and we look outside, studying the environmental evolution towards the footprint Chicago fills today. Our curriculum will look in depth at the bio-systems that make up our surrounding environment including local and native plants and animals. Similarly, we'll come to know the various communities that make up this city with a particular focus on those neighbors closest to our school. Connections like these help develop an understanding of our society that includes the impact our actions and choices have on us, those closest to us, and the environment around us in immediate and enduring ways. It is our belief that a place-based education builds ties between self and community in a way that helps fulfill our mission to develop lifelong learners and leaders.

### **Morning Meetings**

Morning Meeting is an approach to developing social and cognitive skills and establishing a strong sense community and connection in the classroom. This twenty-minute gathering at the beginning of the school day is one method for fulfilling the guiding principles of the Responsive Classroom approach.

The Responsive Classroom approach is informed by the work of educational theorists and the experiences of exemplary classroom teachers. Seven principles guide this approach:

1. The social curriculum is as important as the academic curriculum.
2. How children learn is as important as what they learn: Process and content go hand in hand.
3. The greatest cognitive growth occurs through social interaction.
4. To be successful academically and socially, children need a set of social skills: cooperation, assertion, responsibility, empathy, and self-control.
5. Knowing the children we teach—individually, culturally, and developmentally—is as important as knowing the content we teach.
6. Knowing the families of the children we teach and working with them as partners is essential to children's education.
7. How the adults at school work together is as important as their individual competence: Lasting change begins with the adult community.

Each day, Bennett students will participate in Morning Meeting. For our youngest students this is

a powerful way to learn how to do school, to listen to their peers and communicate greetings and generate an open and welcoming community. As students progress through their school experience, Morning Meetings will grow appropriately more complex and layered. Morning Meetings are a core tenant of Bennett Day School and represent a foundational approach to social interaction and school life; it is in the introductory years that we will lay the groundwork for a school environment defined by respect, stewardship and generosity.

### **TinkerLab**

Knowing a child “from the scribbles on up” was a core belief of Reggio Emilia founder Loris Malaguzzi. This led to the development of the atelier in every Reggio school from the onset. The atelier was meant to serve as a counterbalance and compliment to the traditional classroom, which was traditionally focused on words and rituals. Instead, in the atelier, students were to engage their minds and hands while guided by atelieristas, talented and trained observers of young people and their experiences. The goal was to aid students in acquiring new knowledge through logical and creative itineraries, while fostering both verbal and nonverbal expression, which could then be transferred to other aspects of the education and daily life of children. Observation, exploration, theory, analysis, experiment and reflection meant that strategies rather than formulas guide the atelier model.

At Bennett, inspired by the Reggio Emilia atelier we have established the TinkerLab, a space in our school but decidedly outside of the traditional contained classroom. Here, students are encouraged to explore ideas in unique and unfettered ways. TinkerLab specialists, teachers with particular passions and skill in engineering, design and the arts, lead students through a series of explorations and experiments with natural, found, and produced materials to better understand the intricacies involved in creative problem solving. They work with the classroom teachers to develop child-inspired investigations into the workings of our natural and mechanical world.

The TinkerLab is the heart of the Bennett Day School building and the soul of our program. It is a place to take apart and build, to ponder and actively pursue understanding through experience. Here is a place where students construct, literally and figuratively, understanding.

### **21st Century Skills & Learning**

Ask an educator or innovator about what embodies 21st century skills & learning and hear an individualized, compelling, and accurate response. This is a category in flux, nuanced from the start and sure to remain that way.

While it is an evolving skill set, we at Bennett Day School know and understand that the three C's - creativity, collaboration, and communication - are at the heart of skills needed for our present and future world. And while it is impossible to know exactly what that future world will look like and demand, we can imagine what skills will be universally valuable, applicable, and adaptable regardless of situation or circumstance. In schools, offices, hospitals, and myriad cross-continental labs and classrooms, young leaders will need those three C's, in addition to the

traditional three R's (reading, 'riting, and 'rithmetic), to engage in individual, local, national, and international dialogues.

Art Costa, a professor emeritus at California State University and co-director of the Institute for Intelligent Behavior defines fourteen behaviors that reflect the development of creativity, collaboration, and communication.

1. Persistence
2. Decreasing Impulsivity
3. Listening to Others with Empathy and Understanding
4. Flexibility in Thinking
5. Metacognition-Awareness of Our Own Thinking
6. Striving for Accuracy and Precision
7. Questioning and Problem Posing
8. Drawing on Past Knowledge and Experience
9. Creativity: Ingenuity, Originality, Insightfulness
10. Precision of Language and Thought
11. Gathering Data Through all of the Senses
12. Displaying a Sense of Humor
13. Wonderment, Inquisitiveness, and Curiosity
14. Cooperative Thinking and Social Intelligence

At Bennett, we agree with Costa, and while this list is not exhaustive, our school program is built with the conviction that these skills, when developed and nurtured from an early age, will empower students to become protagonists in their own learning and authors of their future stories.

Everything we do at Bennett Day School is with an eye towards creating citizens capable of thriving in, adapting to, and acting as agents of positive change in the 21st century. To that end, our educational approach, while rooted in the traditions and ideals of progressive education and Reggio Emilia, is built on honoring the skills and learning necessary to support students' growth and success in the world they live in, now and in the future.

#### *Section 4.9 Operating Assumptions*

Management is targeting to open five schools over a ten-year period. Each school will have 450 or more students enrolled at an average tuition of more than \$20,000 per year at an incremental growth rate of 4% per year. The student lifecycle encompasses Pre-Kindergarten through 8<sup>th</sup> grade for a total of 11 years with a resulting lifetime student value of greater than \$290,000 per student.

- 450+ students per school
- Tuition increases average 4% per year
- Teacher salary averages \$55,000 per year plus incentives, benefits, etc.

#### Section 4.10 Market Demographics

Chicago is the third largest city in the United States in terms of population. According to the 2010 census, Chicago has a population of 2,695,598. However the 2012 estimate puts the population of the city at 2,714,856 with a population growth of .71%.

The City of Chicago covers an area of 60,000 hectares and sits 176 meters (578 feet) above sea level on the southwestern shore of Lake Michigan. At 190 km wide and 495 km long, it is the 5th largest body of fresh water in the world. The city is traversed by the Chicago and Calumet rivers. Chicago's extensive parklands, including 3,000 hectares of city parks attract an estimated 86 million visitors annually.

With a workforce of over 4 million spread across all major occupational groups, Chicago has the depth and variety of workforce to meet the needs of just about any business.

In Chicago, firms that rely on their ability to keep recruiting the best and brightest from around the world can find the talent they need to maintain their edge in the global marketplace. From astrophysicists to procurement clerks, the Chicago area provides employers with one of the largest and most diverse talent pools in the country.

In the downtown area, 75% of the workforce age 25 or older has a bachelor's degrees or higher—nearly 3 times the national average. Likewise, 36% of the workforce (age 25+) has a graduate degree—more than 3.5 times the national average.<sup>1</sup>

Chicago has recorded over-the-year job growth of at least 51,000 for 20 consecutive months. Chicago's professional and business services and education and health services sectors have recorded over-the-year employment gains of more than 10,000 each month since 2010.<sup>2</sup>

A strong corporate and business presence is an important factor in the success of a new educational facility. Local businesses attract residents to an area and provide employment. The following table provides a list of major employers in Chicago.

**Major Employers - Chicago Area\***

Company	2011 Revenue (\$ Millions)	Employees (Worldwide)	Employees (Chicago)	Product/Service
United Continental Holdings Inc.	37,110	87,000	13,000	Airline
Abbott Laboratories	38,851	91,000	12,284	Pharmaceuticals

<sup>1</sup> Source: World Business Chicago (<http://www.worldbusinesschicago.com/data/workforce-education>)

<sup>2</sup> Source: US Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/ro5/ceschi.htm>)

Rush University Medical Center	1,440	8,000	8,000	General medical and surgical hospitals
Northwestern Memorial Hospital	1,400	5,800	5,300	General medical and surgical hospitals
Allstate Corp.	32,654	37,600	5,000	Property, casualty and life insurance
CDW LLC	9,602	6,700	3,900	Computer hardware, software and accessories
Tribune Co.	3,020	12,000	3,100	Owner of newspapers, television stations, websites and other media
MYR Group	780	3,000	3,000	Electrical contractors
Motorola Mobility Holdings Inc.	13,064	20,500	3,000	Communications
Aon Corp.	11,287	62,000	2,400	Insurance agencies and brokerages
Follett Corp.	2,695	6,131	2,306	Retail and wholesale distribution of education materials to K-12 and higher-education markets
Medline Industries Inc.	4,700	8,619	2,297	Manufacturer and distributor of medical supplies
Nicor Inc.	2,710 (1)	3,800	2,264	Gas transmission
CME Group Inc.	3,281	2,740	2,000	Security and commodity brokers
Resurrection Health Care	1,419 (1)	8,295	2,000	General medical and surgical hospitals
R. R. Donnelley & Sons Co.	10,611	58,000	1,850	Printing
Nisource	6,020	7,957	1,700	Natural gas distribution
OSI Group LLC	5,450	19,400	1,650	Develops and processes food for leading QSR, food-service and retail companies.
OfficeMax Inc.	7,121	29,000	1,639	Office supplies
Walsh Group Ltd.	3,625	6,000	1,500	General contractor, design-builder, construction manager
Baxter International Inc.	13,893	48,500	1,500	Medical products and services
Discover Financial Services Inc.	8,550	11,650	1,500	Credit card issuer
Groupon, Inc.	1,610	11,471	1,500	Sales promotion
McDonald's Corp.	27,006	420,000	1,500	Fast-food restaurants
Kraft Foods Inc.	54,365	126,000	1,300	Snacks, beverages, packaged meals
Sara Lee Corp.	8,681	21,000	1,200	Food, food-service and personal products
W. W. Grainger Inc.	8,078	21,400	1,200	Maintenance equipment and supplies
Walgreen Co.	72,184	247,000	1,200	Drugstores, mail-order pharmaceuticals
Koch Foods Inc.	2,000	12,000	1,100	Supplier of fresh and frozen poultry for food-service and retail operations
Ace Hardware Corp.	3,709	4,015	1,044	Retail hardware cooperative
Navistar International Corp.	13,958	19,000	1,000	Manufacturer of buses, commercial trucks, military vehicles
U.S. Cellular (Telephone & Data Systems, Inc.)	4,343	8,743	1,000	Telecommunications
Integrus Energy Group, Inc.	4,708	4,619	965	Electric utilities
Exelon Corp.	18,924	19,267	900	Gas and other services
United Stationers, Inc.	5,005	5,950	800	Furniture
True Value Co.	1,864	2,379	769	Retail hardware cooperative

Hospira, Inc.	4,057	15,000	700	Pharmaceutical and medication-delivery equipment
McMaster-Carr Supply Co.	1,850	4,000	700	Wholesale supplier of industrial products
Arthur J. Gallagher & Co.	2,135	12,383	700	Insurance brokerage
Advocate Health Care	1,260	30,000	700	General medical and surgical hospitals
Eby-Brown Co. LLC	4,700	2,300	630	Wholesale distributor of convenience products
Frank Consolidated Enterprises Inc.	1,650	635	616	Automotive fleet management
Daniel J. Edelman Inc.	588	4,126	612	Public relations
Ingredion, Inc.	6,544	11,100	600	Wet corn milling
Reyes Holdings LLC	14,300	11,900	600	Food and beverage distributor
Central Grocers Inc.	1,913	2,200	600	Grocery wholesaler with retail locations
Jones Lang LaSalle Incorporated	3,585	45,500	600	Lessors of nonresidential buildings (except mini-warehouses)
Orbitz Worldwide Inc.	767	1,329	600	Transportation services
Heico Cos. LLC	2,300	10,000	570	Buyout/turnaround firm specializing in manufacturing companies
Sears Holdings Corp.	41,567	293,000	500	Department stores
Northern Trust Corporation	4,169	14,100	500	Commercial banks
Hyatt Hotels Corp.	3,698	50,000	500	Hotel management
Pepper Construction Group, LLC	1,178	993	498	Commercial and heavy construction
Forsythe Technology Inc.	1,109	868	459	Information technology
Boeing Co.	68,735	171,700	400	Aerospace, defense
Illinois Tool Works Inc.	17,787	65,000	400	Industrial machinery
Ulta Salon Cosmetics & Fragrance Inc.	1,776	14,000	400	Retail beauty products
General Growth Properties	2,743	1,750	400	Mall operator, real-estate investment trust
DeVry Inc.	2,182	12,599	391	Educational services
Kenny Construction Co.	595	500	375	General contractor, construction management
HAVI Group LP	8,272	8,000	375	Freight and supply-chain management, packaging, promotions, marketing solutions
BankFinancial Corp.	77	368	368	Bank holding company
Zurich American Insurance Company	4,340	25	350	Direct property and casualty insurance carriers
Topco Associates LLC	11,600	447	337	Supplier of products and services to supermarket retailers, wholesalers and food-service companies
F.H. Paschen, S.N. Nielsen & Associates LLC	566	400	310	General contractor, construction management
WMS Industries Inc.	783	1,880	300	Gambling and lottery machines
Hub Group, Inc.	2,751	1,616	250	Global intermodal transportation
Power Construction Company, LLC	663	235	235	Commercial and heavy construction
Great Lakes Dredge & Dock Corporation	627	1,726	225	Commercial and heavy construction

Motorola Solutions Inc.	8,203	23,000	225	Other communications equipment manufacturing
Equity Residential	1,989	3,800	220	Lessors of residential buildings and dwellings
O'Neil Industries Inc	458	403	219	Commercial and heavy construction
CF Industries Holdings, Inc.	6,098	2,500	200	Agricultural chemicals
CNA Financial Corp.	8,947	7,600	200	Direct property and casualty insurance carriers
Zebra Technologies Corporation	984	2,510	198	Computer peripheral equipment
Chicago Cubs	265	480	177	Professional baseball team
Brunswick Corp.	3,748	15,356	150	Leisure products
Dover Corporation	7,950	34,000	150	Manufacturer of industrial machinery
Union Tank Car Company	2,042 (1)	6,140	150	Railroad equipment manufacturing
Old Republic International Corporation	4,646	7,900	150	Property and casualty insurance
Chicago Bears Football Club Inc.	300	140	140	Professional football team
Graycor, Inc.	497	1,428	136	Commercial and heavy construction
Tenneco, Inc.	7,205	24,000	135	Auto parts and equipment
Fortune Brands Inc.	3,329	16,100	130	Housewares, distilled spirits, golf equipment
InnerWorkings Inc.	633	1,034	100	Business services
Kemper Corp.	2,495	6,700	90	Direct property and casualty insurance carriers
Inland Real Estate Group of Cos.	167	111	82	Commercial real estate, investment, property management, leasing, development and financial services
Wintrust Financial Corporation	795	2,933	80	Offices of bank holding companies
Morton's Restaurant Group, Inc.	296	4,154	80	Full-service restaurants
Strategic Hotels & Resorts, Inc.	764	42	50	Hotel real estate investment trust
Telephone Data Systems, Inc.	5,180	12,300	35	Wireless telecommunication services
Anixter International Inc	6,147	8,200	28	Electrical products distribution
Tellabs, Inc.	1,286	3,246	20	Communications equipment
Wirtz Corp.	2,000	3,200	20	Distribution, real estate, insurance, banking; owns Chicago Blackhawks hockey team
Wheaton Franciscan Services, Inc.	1,710	18,000	20	General medical and surgical hospitals
Middleby Corp	856	2,150	18	Food-service equipment
NES Rentals Holdings Inc.	280	74	12	Aerial equipment rental for construction and industrial users
Career Education Corporation	1,885	14,602	7	Educational services
H Group Holdings	3,040	42,000	5	Office of other holding companies

(1) 2010 annual sales

\* Data refers to the Chicago Metropolitan Statistical Area (MSA)

Source: Crain's Chicago Business, Hoover's, MNI, World Business Chicago

The following table illustrates the major employment sectors in Chicago.

Non-Farm Employment	Total Number Employed					% of Total Employed Persons				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012 (Q1)
Natural Resources and Mining	N/A	241	216	N/A	195	N/A	0.0%	0.0%	N/A	0.0%
Construction	29,616	25,251	19,165	18,107	18,845	2.3%	2.1%	1.6%	1.5%	1.5%
Manufacturing	78,680	69,631	64,738	65,431	65,316	6.2%	5.7%	5.5%	5.4%	5.3%
Wholesale Trade	39,120	36,107	33,906	34,553	35,229	3.1%	3.0%	2.9%	2.9%	2.8%
Retail Trade	91,822	87,588	85,958	87,659	89,350	7.2%	7.2%	7.3%	7.3%	7.2%
Transportation & Warehousing	81,846	76,446	74,059	74,308	75,631	6.4%	6.3%	6.3%	6.2%	6.1%
Utilities	5,056	5,040	4,507	4,531	4,665	0.4%	0.4%	0.4%	0.4%	0.4%
Information	36,608	33,731	32,627	33,743	36,316	2.9%	2.8%	2.8%	2.8%	2.9%
Finance, Insurance, and Real Estate	144,248	136,179	131,753	129,590	129,715	11.3%	11.2%	11.1%	10.8%	10.5%
Professional and Business Services*	245,900	226,381	223,117	230,142	239,160	19.3%	18.6%	18.9%	19.2%	19.3%
Educational and Health Services	272,607	280,479	274,660	282,659	294,773	21.4%	23.0%	23.2%	23.5%	23.8%
Leisure and Hospitality	126,656	119,797	118,367	122,313	127,949	10.0%	9.8%	10.0%	10.2%	10.4%
Other Services	53,564	53,772	52,707	53,516	55,461	4.2%	4.4%	4.5%	4.5%	4.5%
Government	64,027	64,057	63,768	62,452	61,928	5.0%	5.3%	5.4%	5.2%	5.0%
Non-Classified	2,024	2,424	2,551	2,089	1,624	0.2%	0.2%	0.2%	0.2%	0.1%
<b>Total</b>	<b>1,271,774</b>	<b>1,217,124</b>	<b>1,182,099</b>	<b>1,201,093</b>	<b>1,236,157</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Professional, scientific, technical; administrative/support; waste remediation; and management of companies

Note: not seasonally adjusted.

Source: Illinois Department of Employment Security (IDES), reflects first quarter data for all years

### Chicago Population/Percentage Distribution

Age Range	Population	Percent/Total City Population (2011)
0-19 years	708,226	26.2%
20-34 years	727,249	26.9%
35-54 years	722,290	26.7%
55+ years	542,976	20.1%

Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

With a median age of 33.0 years, the Chicago population is younger than the general population which has a median age of 37.1 years. Chicago has an above average share of residents under age 20, which is indicative of the characteristic as a family market.

Chicago's median house hold income is substantially higher than both the state of Illinois and the Metropolitan Statistical Area as shown in the table below.

**Median Household Income – Chicago Area**

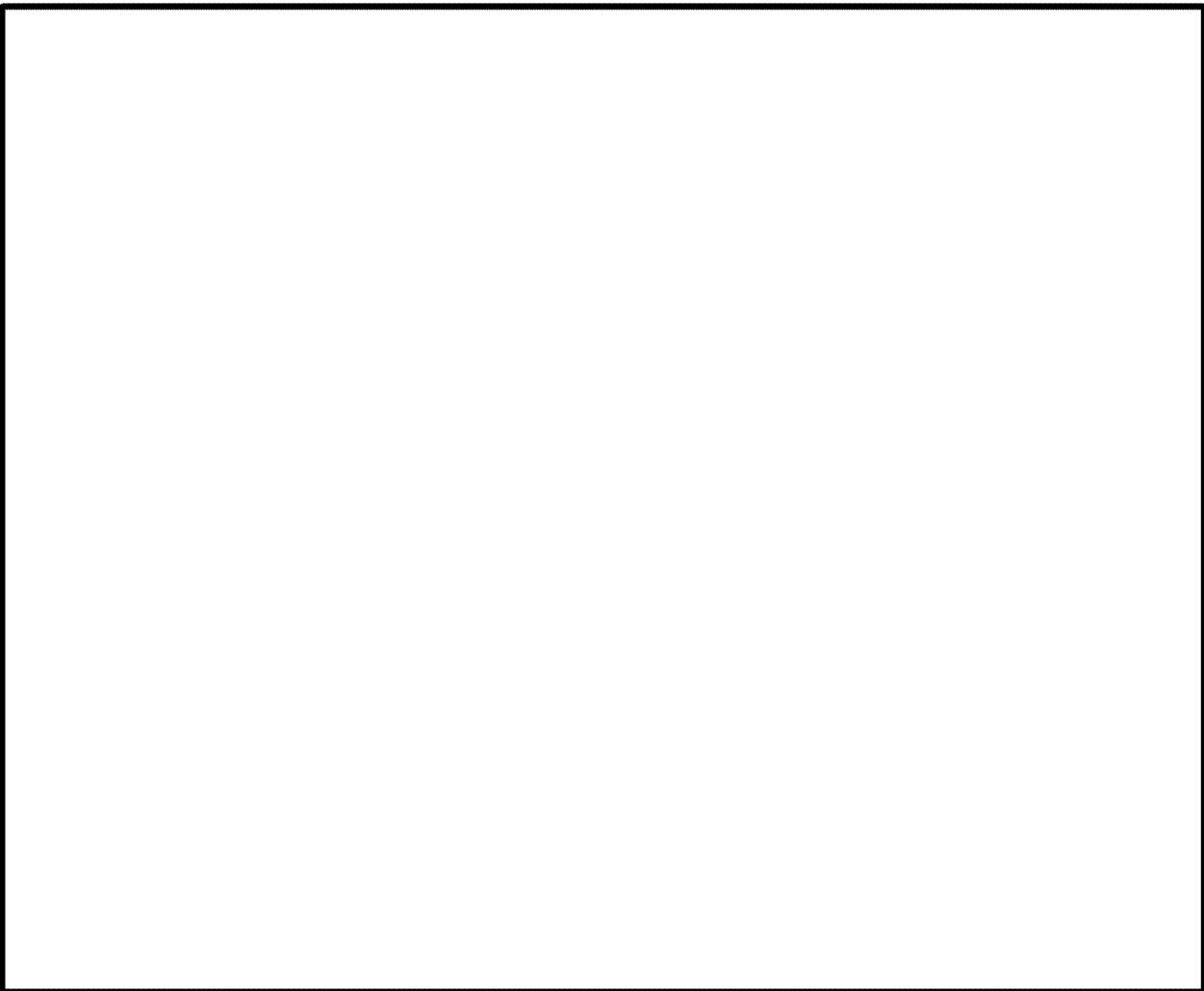
	2000	2009 estimate	2014 projected
U.S.	\$ 42,253	\$ 53,679	\$ 57,994
IL	46,699	59,662	64,674
Chicago-Joliet-Naperville MSA*	51,404	66,132	71,596

\*Metropolitan Statistical Area

Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

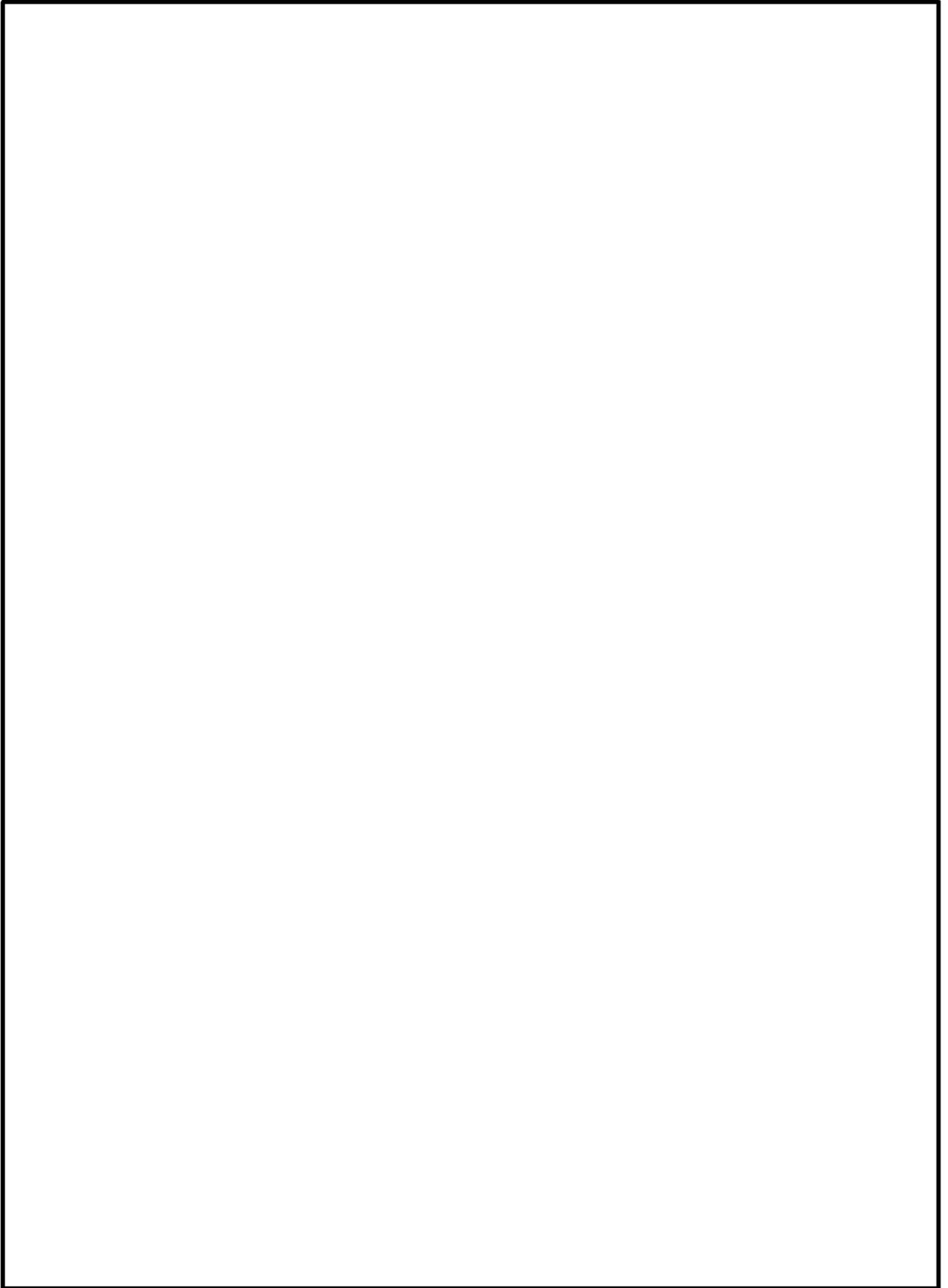
2014 the median household income in the Chicago area is projected to be \$71,596 which is substantially higher than the figures for the state (\$64,674), and nationally (\$57,994). The median age coupled with the strong median income indicates the residents of the city are of family forming age, and have the disposable income to afford to allow their children to attend private schools such as Bennett.

*Section 4.11 Communication and Marketing*

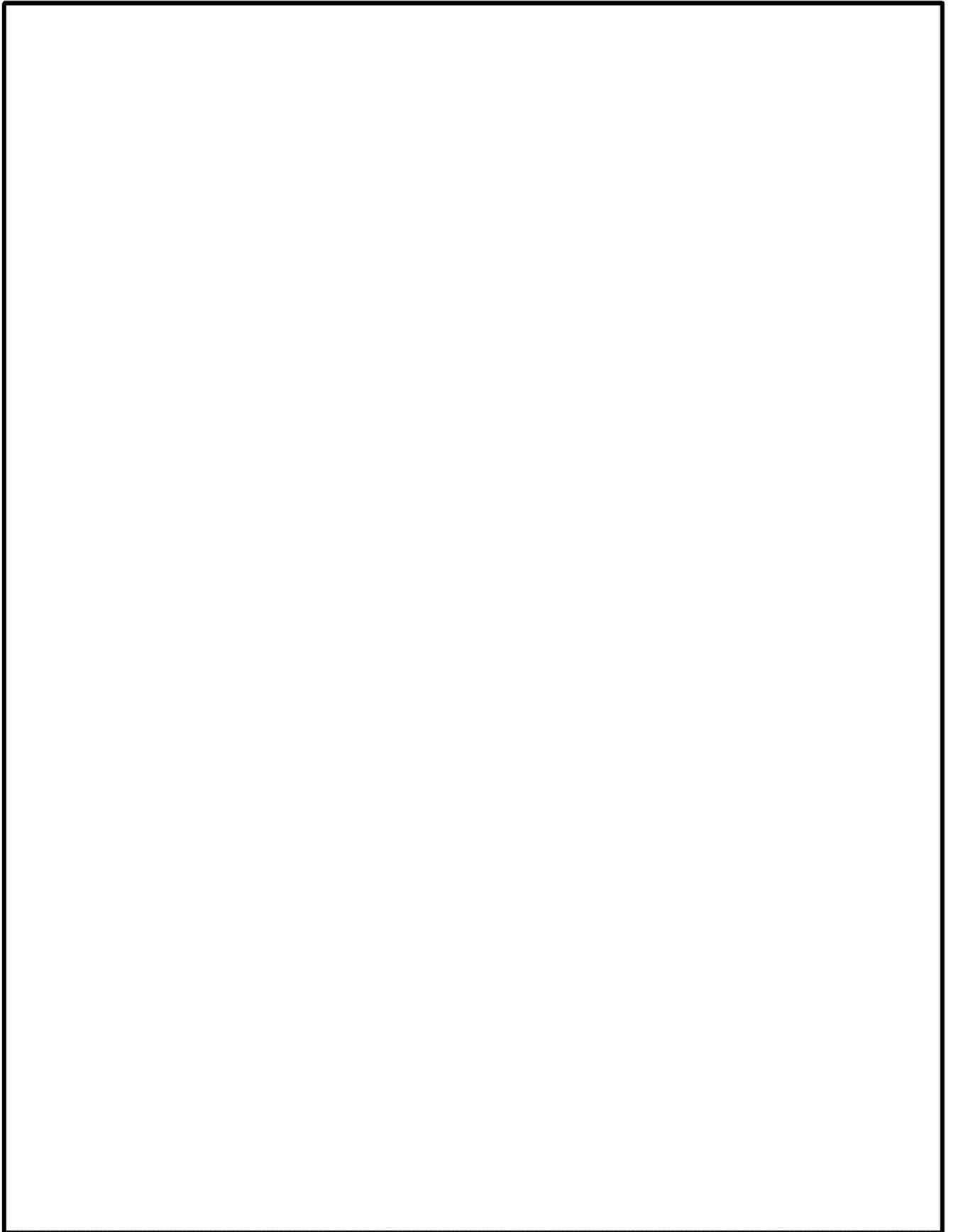


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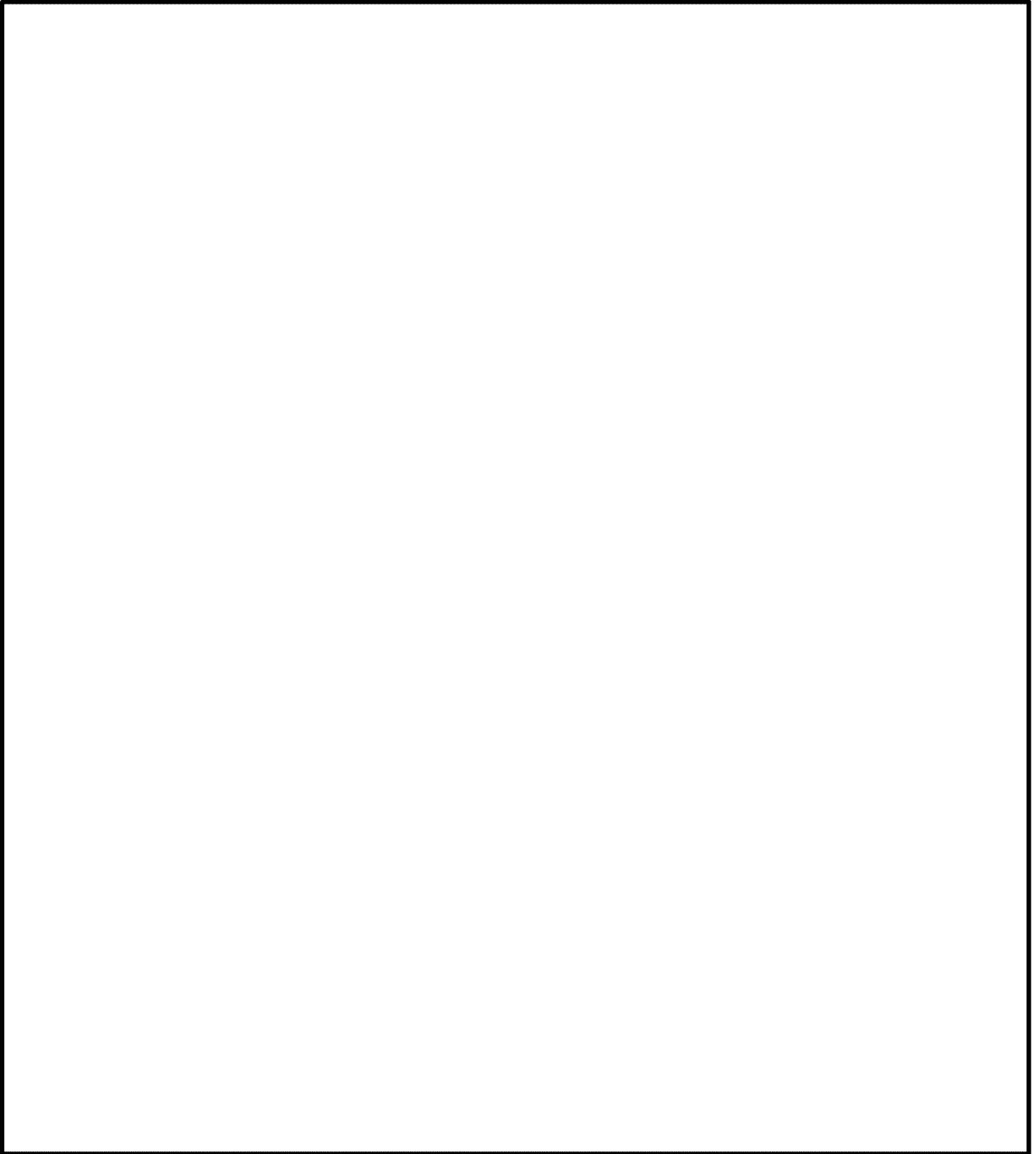
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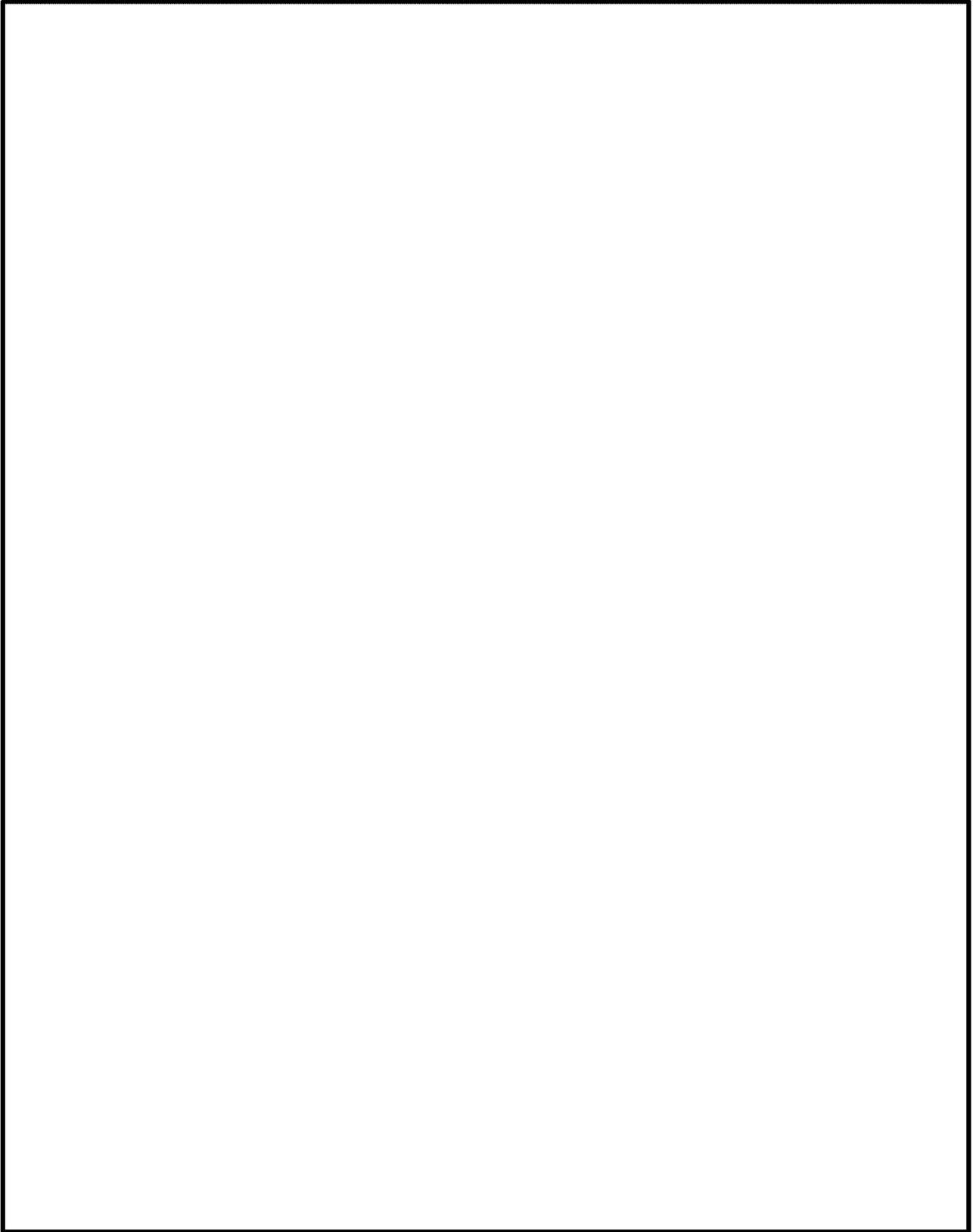
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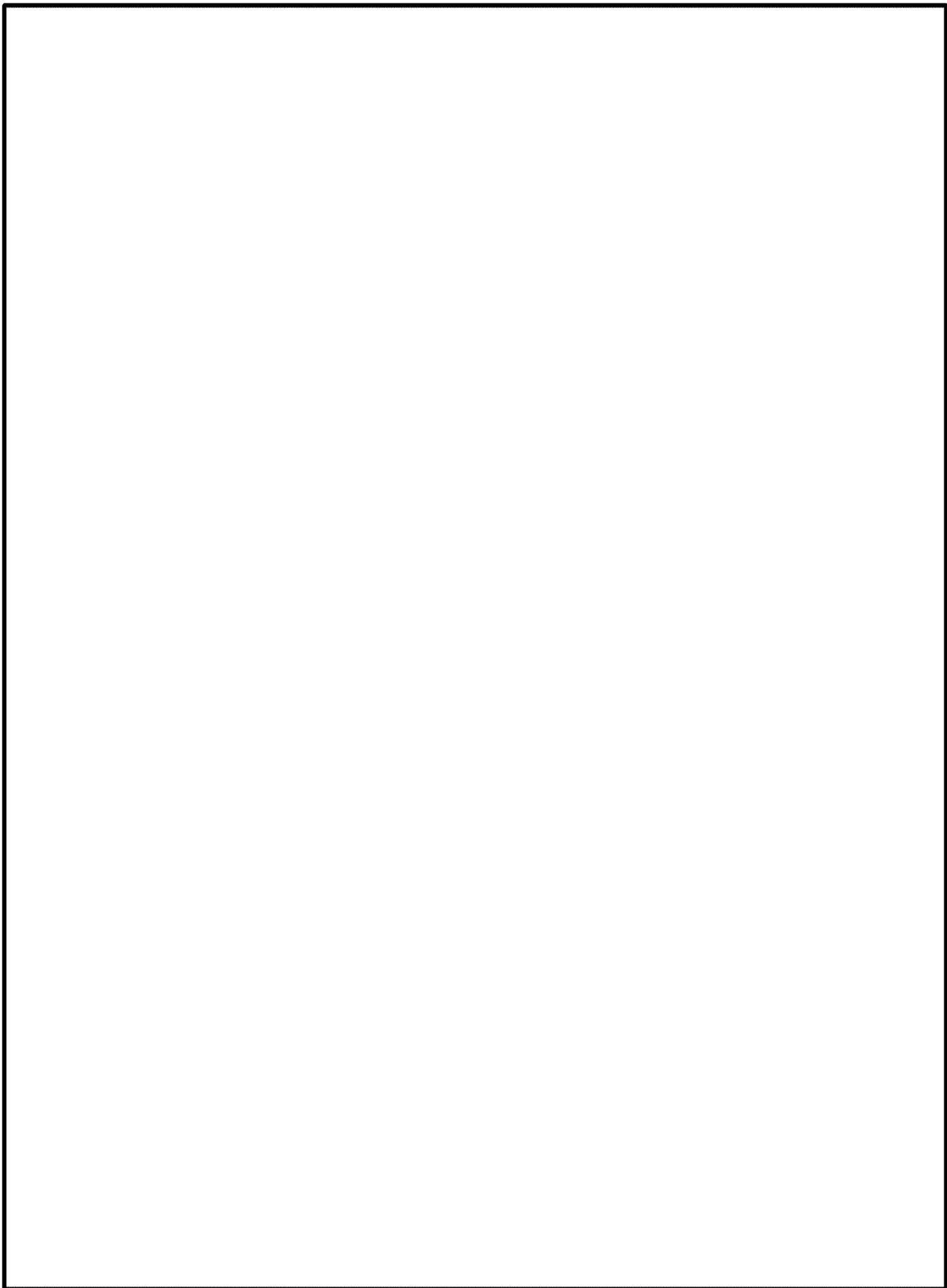


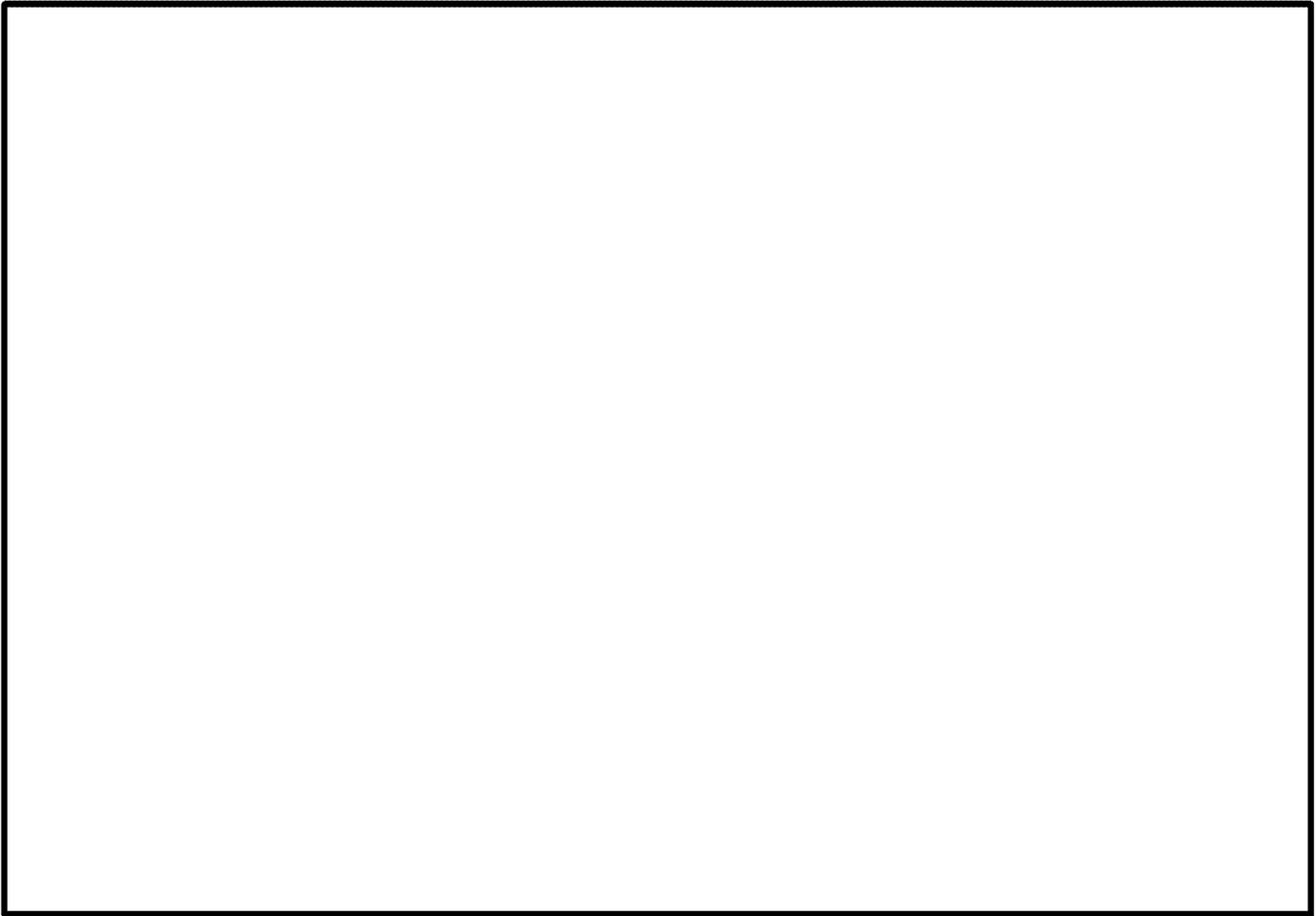
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<sup>7</sup> "The Way Things Work: Lab School Admissions," in *The Maroon*, by Jordan Holliday, 1/6/09





Chicago's leading independent private schools include:

The Latin School of Chicago, founded in 1888, is the oldest independent school in the City of Chicago. Latin enrolls a diverse group of 1,100 JK-12 students from over 70 Chicago zip codes and charges an elementary tuition of \$23,000. Latin completed the expansion of its Lincoln Park facilities in 2007 with the introduction of a new, 'state-of-the-art' middle school.

The University of Chicago Laboratory School was created in 1985 by John Dewey to practice, test, and evaluate his theories of education. Lab now serves over 1,770 N-12 students and charges an elementary tuition of \$20,000 to \$23,000 per year. To accommodate its increasing enrollment needs, the Lab School plans to open a Reggio Emilia inspired Early Childhood Center that will house all classrooms for nursery through 2nd Grade.

Francis W. Parker School, founded in 1901, is based on the progressive education philosophies of Dewey and Col. Francis Parker. It is an independent, coeducational day school that serves over 900 JK-12 students. Located in the Lincoln Park neighborhood, Parker emphasizes community and citizen and charges an elementary tuition of \$20,000 to \$28,000 per year.

Catherine Cook School was founded in 1975 as a parent cooperative and reorganized as an independent school in 1997. It serves over 460 preK-8 students and charges an elementary

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<sup>11</sup> Source: Michelle Rhee, former Chancellor of Washington D.C. Schools, 2011

tuition of \$18,000. Catherine Cook is currently planning a campus expansion to accommodate the increasing enrollment needs for its lower school.

Bernard Zell Anshe Emet Day School is an independent, community Jewish day school offering an integrated curriculum of general and Jewish studies that builds on each previous year's learning. It serves 525 N-8 students and charges elementary tuition of \$20,000.

There are very few multi-unit private school companies in the U.S., as the sector is in its infancy and only one company currently competes in the Midwestern private school market:

The British Schools of America ("BSA"), a division of World Class Learning (owned by Sovereign Capital, a UK private equity firm), operates 6 schools in Chicago, Washington, D.C., Boston, Houston, Charlotte, and New York. The program is based on the Intl. Baccalaureate (IB) Diploma Program. BSA encourages independence and self-discipline with elementary tuition of \$21,000 to \$26,000 per year in Chicago.

Other multi-unit private school companies who currently compete outside the Midwestern market, but who could potentially expand into the Midwest, include:

Stratford Schools, a nonsectarian, for-profit private school company with 12 schools in the San Francisco Bay Area, is owned by private equity firm Quad Partners in New York. The Company was founded in 1999 as a for-profit preschool with 50 students leasing classroom space in a church, and Stratford has expanded to serve over 4,000 middle, elementary and preschool students in the Bay Area. Stratford offers mid-priced private school tuition averaging more than \$14,000 per year, as well as a rigorous yet balanced curriculum, which caters primarily to Indian and Chinese/Vietnamese parents working in the Silicon Valley vicinity.

Challenger is a family-owned, nonsectarian, for-profit private school with operations across four western states. Challenger was founded by Barbara Baker in 1963 in the Bay Area with a small preschool and has grown to serve more than 10,000 students across 24 schools in the Bay Area (11), Utah (8), Nevada (2), and Idaho (3). Challenger offers mid-priced private school tuition.

Meritas, owned by private equity firm Sterling Partners in the Chicago area, is a global family of unique and distinctive preK-12 schools with 13 schools across Florida, Texas, Arizona, New York, Mexico, Switzerland, and China. Each school is a student-centric community and academically aggressive; each offers a wide array of learning and growth experiences both in and outside the classroom, at home and abroad.

Avenues: The World School is Chris Whittle and Benno C. Schmidt, Jr.'s planned international system of at least 20 independent preK-12 schools. They raised over \$75m from two private equity investors, and opened their first branch with grades preK-9 in New York City in Fall 2012. Each school will be organized into four schools: The Early Learning Center (nursery and preK), Lower School (K-5), Middle School (6-8), and Upper School (9-12). There will be about 100 students per grade, with tuition averaging more than \$38,000 per year.

There are several multi-unit childhood care and preK education services companies in the Chicago area, although their services are limited without continuing into elementary grades. These companies include:

Bright Horizons, owned by private equity firm Bain Capital, is the largest provider of employer-sponsored childcare and education services in the U.S. with over 1,000 locations. There are two Bright Horizons schools in Chicago: Lincoln Park Preparatory and Lincoln Park Preschool. Tuition ranges from \$8,000 to \$18,500 per year.

Kindercare, owned by Michael Milken's Knowledge Learning Corporation, is the largest private child care and education provider in the US. It operates approximately 1,900 community based centers across the U.S., and enrolls children from six weeks in daycare up to twelve-year old school age children with before and after school activities. The cost of tuition at their eight Chicago area locations is about \$15,000 per year.

Crème de la Crème operates 23 early child learning centers across the U.S. and accepts children from infancy through kindergarten, offering afterschool and summer programs for ages six through twelve. Tuition ranges from \$15,000 to \$20,000 per year in Chicago.

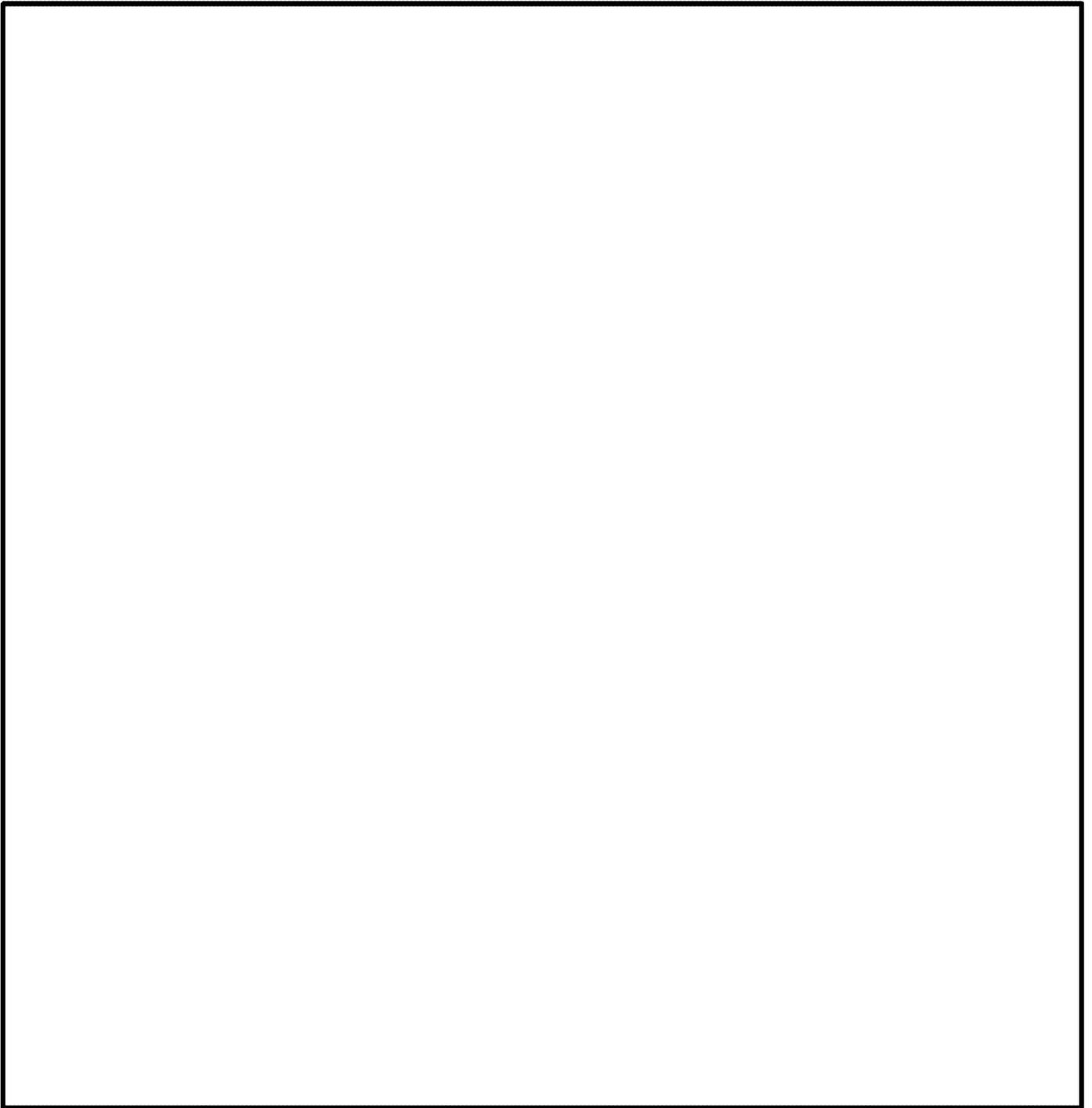
Childtime (Cornerstone), founded in 1967 by Gerber Products, is now a subsidiary of the second largest for-profit early child care and education services in the U.S., Learning Care Group Inc. Childtime has over 250 locations which provide childcare services to children between the ages of six weeks to twelve years. Tuition in the Chicago area is about \$10,000 per year.

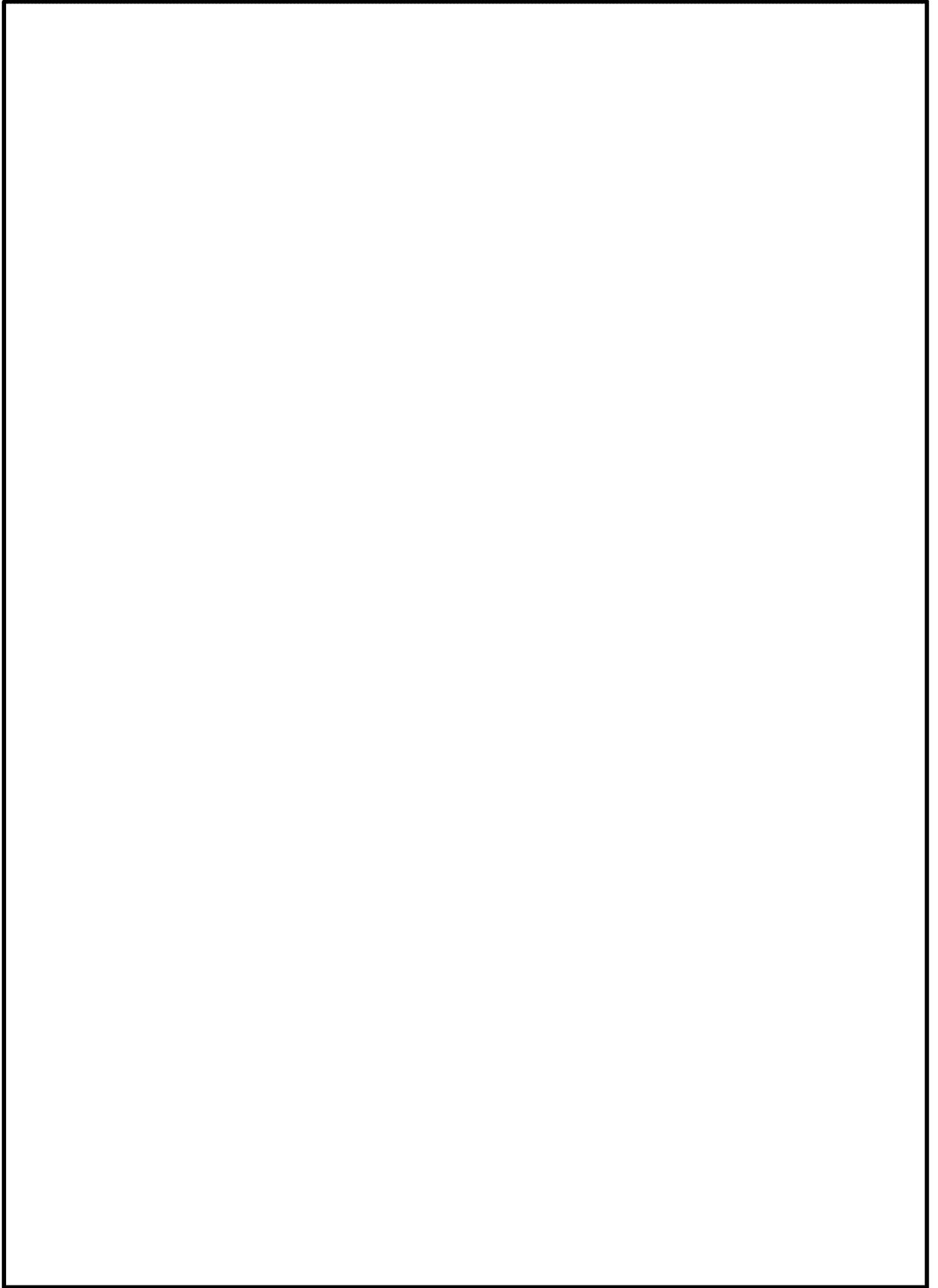
*Section 4.13 Source and Use of Funds*

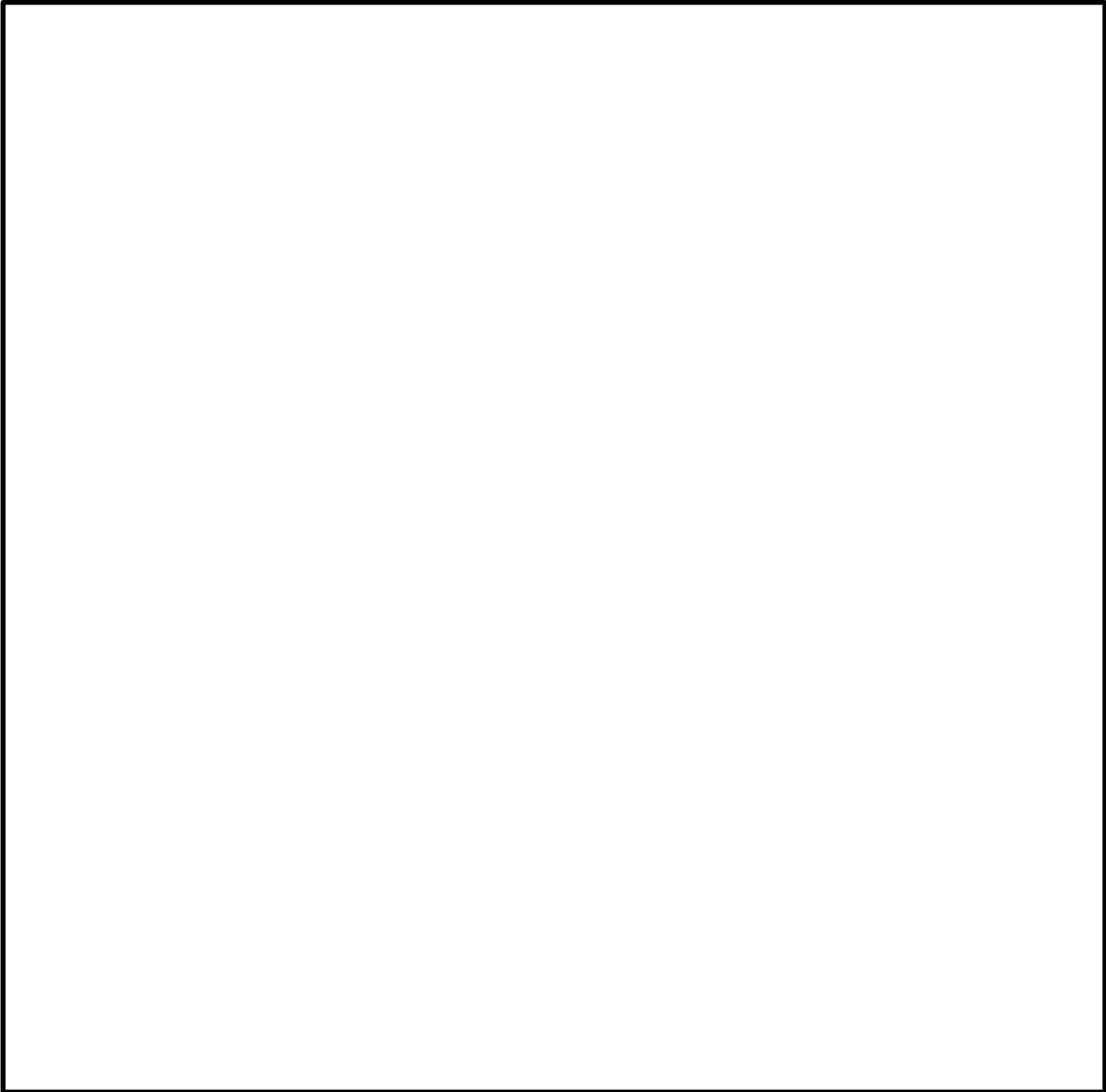
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*Section 4.15 Job Creation Information*

A job creation model was created based on local information gathered on the Bennett’s primary industry focus in Cook County through IMPLAN using 2011 data for Cook County to conduct the analysis.

**Overview of the IMPLAN Model**

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, Cook County, Illinois). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, one year).

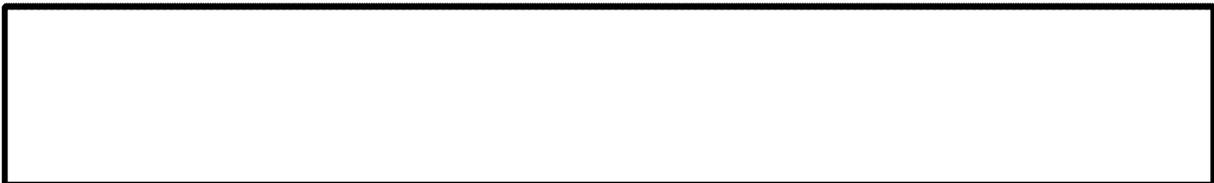
The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the “flow of dollars from purchasers to producers within the region.” It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of “local-level multipliers” that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

(b)(4)



**Job Creation – Bennett Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from Bennett’s financial projections used to create the model for each of Bennett’s industry focuses.

2012 NAICS		(b)(4)	
Code	Category	IMPLAN Sector	Industry Sales*
611	Educational Services	391	\$

\*based on Bennett’s 2016 Revenue Projections

Using IMPLAN Version 3.0 with 2011 data for Cook County and the inputs above, the following model was created which outlines the impact of the operations of the Bennett:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	(b)(4)			
Indirect Effect				
Induced Effect				
Total Effect				

Top 10 Industries Affected

Sector	Description	Employment	Labor Income	Value Added	Output
391	Private elementary and secondary schools	(b)(4)			
360	Real estate establishments				
413	Food services and drinking places				
388	Services to buildings and dwellings				
397	Private hospitals				
394	Offices of physicians, dentists, and other health practitioners				
324	Retail Stores - Food and beverage				
356	Securities, commodity contracts, investments, and related activities				

- 398 Nursing and residential care facilities
- 382 Employment services

(b)(4)



**Multiplier Tables**

Code	Description
391	Private elementary and secondary schools

*Section 4.16 Project Timeline*

- 3Q10: Bennett Day School, Inc. formed by Cameron Smith and Shuchi Sharma.
- 2Q11: Jie-Qi Chen joins as Advisor.
- 2Q11: Bennett joins North American Reggio Emilia Alliance (NAREA).
- 2Q12: Kate Cicchelli joins as Chief Academic Officer.
- 2Q12: Bennett granted affiliate membership with ISACS (Independent Schools Association of Central States).
- 3Q12: Howard Tullman, Gail Ward, and Cyrus Patel join as Advisors.
- 2Q13: Target Launch Site identified.
- 3Q13: Admissions to begin.
- 3Q14: Classes to begin: Pre-Kindergarten, Junior-Kindergarten, Senior-Kindergarten, and 1st grades for ages 3 to 6.
- 2015 and beyond: Open new grades and new schools.

**CONFIDENTIAL OFFERING MEMORANDUM**

**GLRC INVESTMENT FUND I, LLC**  
(A State of Illinois Limited Liability Company)

(b)(4) [Redacted] Units of Limited Liability Company Interests ("Units")  
Offered at U.S. [Redacted] per Unit  
Minimum Investment [Redacted] Units

(b)(4) **GLRC INVESTMENT FUND I, LLC**, a State of Illinois Limited Liability Company ("GLRC I"), is offering to sell on a "best efforts" basis up to [Redacted] units of Class C membership interests (the "Class C Units") to qualified purchasers (the "Investors") at a subscription price of [Redacted] per Unit (the "Subscription Price"). The Class C Units shall be offered to foreign investors who are seeking permanent resident immigrant status under the employment creation immigrant investor provisions of the U.S. immigration laws. See "Who May Invest". The Class C Units will not be offered in the United States or to U.S. persons. A minimum purchase of [Redacted] Units is required.

GLRC I may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC I may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois. GLRC I intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC I shall assist those investors and their attorneys in connection with the application process by providing the necessary information regarding GLRC I and its business.

	<u>OFFERING PRICE</u> <sup>(1)</sup>	<u>ORGANIZATIONAL AND OFFERING EXPENSES</u>	<u>PROCEEDS TO GLRC I</u> <sup>(2)</sup>
Per Unit	[Redacted]	[Redacted]	[Redacted]
Maximum Offering Amount (700 Units)	[Redacted]	[Redacted]	[Redacted]

<sup>(1)</sup> The price of the Class C Units was arbitrarily determined and bears no relationship to the assets of GLRC I, book value, or any other recognized criterion of value.

<sup>(2)</sup> Net proceeds from the sale of the Class C Units shall, in their entirety be invested in GLRC I in order to generate sufficient jobs to qualify the investment for foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. No Organizational and Offering Expenses shall be deducted from the net proceeds of the sale of the Class C Units. See "Estimated Use of Proceeds."

**THE DATE OF THIS MEMORANDUM IS August 1, 2013**

8/1/13

## NOTICE TO PROSPECTIVE INVESTORS

This Confidential Offering Memorandum (the "Offering Memorandum") has been prepared for distribution to a limited number of eligible persons ("Prospective Investors") for their confidential use and information in evaluating an investment in the Class C Units. This Offering Memorandum shall not constitute an offer unless the name of the Prospective Investor and memorandum number appear in the spaces set forth on the top of the cover page of the Offering Memorandum. Delivery of this Offering Memorandum or any other documents or information furnished to an investor to anyone other than the person whose name appears on the cover page is unauthorized. Any reproduction of this Offering Memorandum or other documents or any divulgence of the contents thereof without the prior written consent of the Manager is prohibited. As you read the Offering Memorandum, please note the following important facts:

**THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE UNITS ARE BEING OFFERED PURSUANT TO THE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS PROVIDED UNDER REGULATION S FOR FOREIGN OFFERINGS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES COMMISSION ("SEC") OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY. NOR HAS THE SEC OR ANY OTHER REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THE OFFERING AND SALE OF THE UNITS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF THE TERRITORY OF HONG KONG, THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, TAIWAN, KOREA OR ANY OTHER COUNTRY.**

No offering literature or advertising in whatever form will or may be employed in the offering of the Class C Units except for statements contained in this Offering Memorandum or a summary hereof or documents summarized herein, and information provided by the principals of GLRC I in response to questions by a Prospective Investor. No person has been authorized to make any representations or give any information inconsistent with the information contained or referred to herein. If made, such representations or information may not be relied upon.

The Class C Units involve significant risks and should be purchased only by persons who can afford to lose their entire investment. See "Risk Factors" and "Who May Invest." The Class C Units are illiquid and subject to several restrictions on transfer.

Prospective Investors are not to construe the contents of this Offering Memorandum as legal, tax or investment advice. Each Prospective Investor should consult his own attorney, accountant and business advisor as to legal, tax and related matters concerning an investment in the Class C Units.

The information contained here has been obtained from sources deemed reliable but no representation or warranty is made to its accuracy or completeness. This Offering Memorandum is made as of the date set forth on the cover page. Neither the delivery of this Offering Memorandum nor any sales of Units made pursuant hereto shall, under any circumstances, create any implication that there has been no change in the affairs of GLRC I since the date hereof, or that the information contained herein is correct as of any time subsequent to the date of this memorandum.

Forecasts are contained in this Offering Memorandum. Any predictions and representations, written or oral, which do not conform to those contained in this Offering Memorandum, shall not be permitted. Forecasts represent a mere prediction of future events based on assumptions which may or may not occur and may not be relied upon to indicate the actual results which will be obtained.

This Memorandum is not an offer to sell or a solicitation of an offer to purchase any of the Class C Units. Offers or invitations to invest can only be made by the Manager. This Memorandum is not an offer or solicitation in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Nor is it an offer to any person who does not satisfy the investor suitability requirements set forth herein.

Although the Manager believes that this Offering Memorandum contains a fair summary of the material terms of all documents purported to be summarized herein, Prospective Investors are urged to refer to the actual documents for complete information concerning the rights and obligations of the parties to such documents. Copies of such documents are attached to this Offering Memorandum as Exhibits or are available upon request from GLRC I. All summaries are qualified in their entirety by this reference to the actual documents.

Prospective investors are urged and invited to ask questions of and to obtain additional information from the Manager concerning the terms and conditions of the offering, GLRC I and its proposed business and any other relevant matters (including but not limited to additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense.

Prospective investors having questions or desiring additional information should contact GLRC I at 312-965-5979.

## **WHO MAY INVEST**

GLRC I intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. The Class C Units will be offered and sold outside of the United States to individuals who are "non-U.S. Persons" (as defined below) and who meet the investor suitability standards described below. Investment in the Class C Units is suitable only for individuals of substantial means who have no need for liquidity with regard to this investment. The Class C

Units will be non-transferable for several years, and there is no public market for the Class C Units. Investment in the Class C Units involves significant risks, and no assurance can be given that GLRC I will realize its financial objectives. See "Risk Factors." Each Prospective Investor is urged to consult his own business and tax advisors before investing in the Class C Units.

### **Non-U.S. Persons**

GLRC I intends to offer the Class C Units to "non-U.S. Persons" outside of the United States. The offering of the Class C Units is not being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the foreign offering exemption set forth in Regulation S. Under Regulation S, the Class C Units must be offered and sold outside of the United States and to non-U.S. Persons only.

The term "U.S. Person" means:

- (i) any natural person resident in the United States; or
- (ii) any partnership or corporation organized or incorporated under the laws of the United States.

### **Accredited Investors**

GLRC I intends to limit the offering to individuals who qualify as "accredited investors," as such term is defined in Regulation D promulgated under the Securities Act. The term "accredited investor" means any person who falls within one of the following categories, or whom the Manager reasonably believe falls within either one of the following categories at the time of the sale of the Class C Units to that person:

- (a) Any person whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase exceeds \$1,000,000; or
- (b) Any natural person who had an individual income of more than \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of meeting the same income level in the current year.

The Manager may, in their sole discretion, waive this requirement with respect to certain Investors whom they believe are otherwise financially suitable.

### **Representations By All Investors**

Each Subscriber, as defined in the Subscription Agreement (the "Subscription Agreement") a form of which is attached hereto as Exhibit A, for the Class C Units will be required to acknowledge and represent that:

- (1) The Subscriber is an individual over the age of 21 and is not a resident of the United States of America.

- (2) The Class C Units were offered to the Subscriber outside of the United States. The offer and sale of the Class C Units occurred outside of the United States and the Class C Units may only be offered to non-U.S. persons. The Subscriber is not a U.S. person and is not acquiring the Class C Units for the account or benefit of any U.S. Person.
- (3) The Subscriber is an "accredited investor" as defined in Regulation D. The Subscriber is able to bear the economic risk of the investment and the Subscriber has such knowledge and experience in financial and business matters that the Subscriber is capable either on his own or together with his advisors and representatives of evaluating the merits and risks of investing in GLRC I as a Class C Member.
- (4) In evaluating the merits and risks of an investment in the Class C Units, the Subscriber has relied upon the advice of his own personal tax and legal counsel.
- (5) Prior to the purchase of the Class C Units, GLRC I afforded him and his advisors full and complete access to all information with respect to GLRC I, the Manager and GLRC I's proposed activities that he and his advisors deemed necessary in order to evaluate the merits and risks of an investment, to the extent that information was possessed or could be acquired by GLRC I without unreasonable effort or expense.
- (6) The Class C Units he is offering to purchase will be purchased solely for his account for investment purposes only, and not with the view to, or for resale in connection with, any redistribution thereof.

The Manager reserves the right to refuse to sell the Class C Units to any person if, in his sole discretion, the Prospective Investor offering to purchase the Class C Units does not meet one or more of the suitability criteria, including the financial suitability criteria. The Manager may, in his sole discretion, waive the financial suitability requirements with respect to certain Prospective Investors whom he believes are otherwise suitable.

## **SUMMARY OF THE OFFERING**

THIS SUMMARY IS INTENDED ONLY FOR QUICK REFERENCE AND IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS MEMORANDUM AND IN THE EXHIBITS ATTACHED HERETO. ALL INITIALLY CAPITALIZED TERMS USED IN THIS SUMMARY SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE OTHER PORTIONS OF THIS MEMORANDUM.

### **GLRC I**

GLRC I is a State of Illinois Limited Liability Company formed on July 31, 2013. David B. Anderson is the Manager (the "Manager"). The Manager is responsible for managing the business and affairs of GLRC I. The Members of GLRC I are HCE INTL, LLC and David B. Anderson. GLRC I is authorized to admit up to seven (7) investors as Class C Members in connection with the offering.

GLRC I may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC I may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois.

GLRC I intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC I shall assist those investors and their attorney in connection with the application process by providing the necessary information regarding GLRC I and its business.

### Company Investment Objectives

The primary investment objectives of GLRC I are to: (i) preserve and protect GLRC I's capital; and (ii) generate net operating profits from operations.

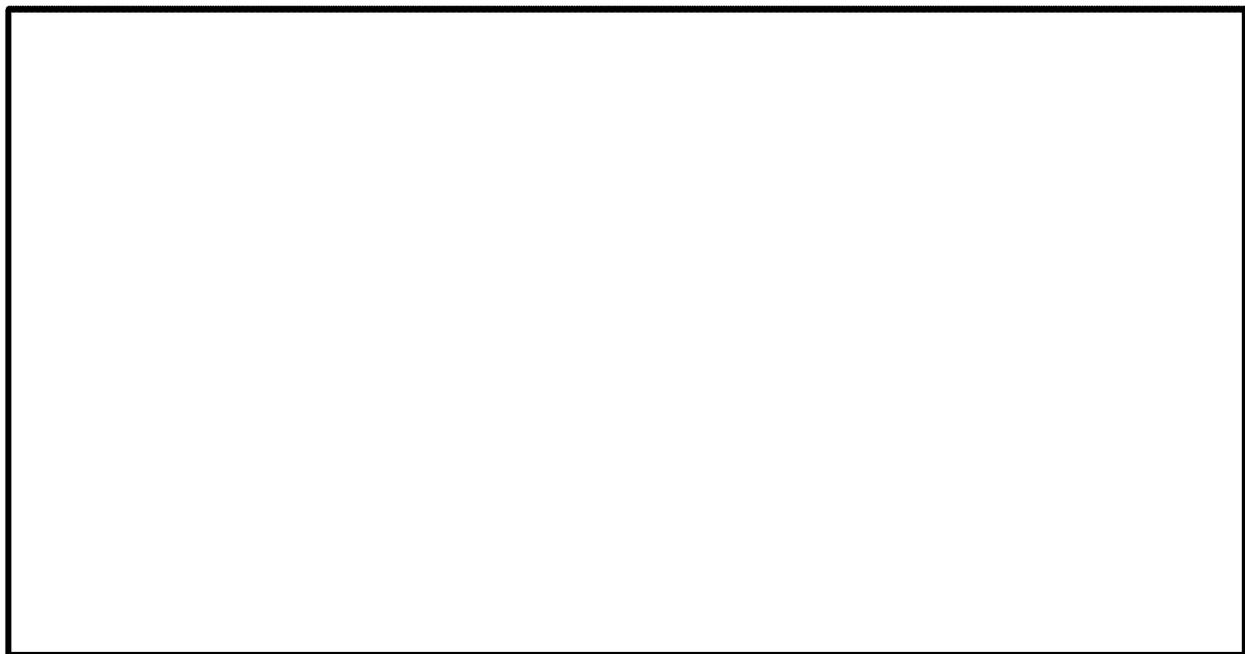
### Operating Agreement

GLRC I shall be governed by the Operating Agreement (the "Operating Agreement") attached hereto as Exhibit B.

### The Offering

(b)(4)

GLRC I is offering [redacted] units of Class C Membership interests ("Units") at a subscription price of [redacted] per Unit. The Class C Units are being offered on a "best efforts" basis to qualified foreign investors pursuant to the foreign offering exemption set forth in SEC Regulation S. See "Who May Invest." Each Investor must purchase at least [redacted] Units. The entire Subscription Price must be paid by certified cashier's check or wire transfer at the time of subscription.



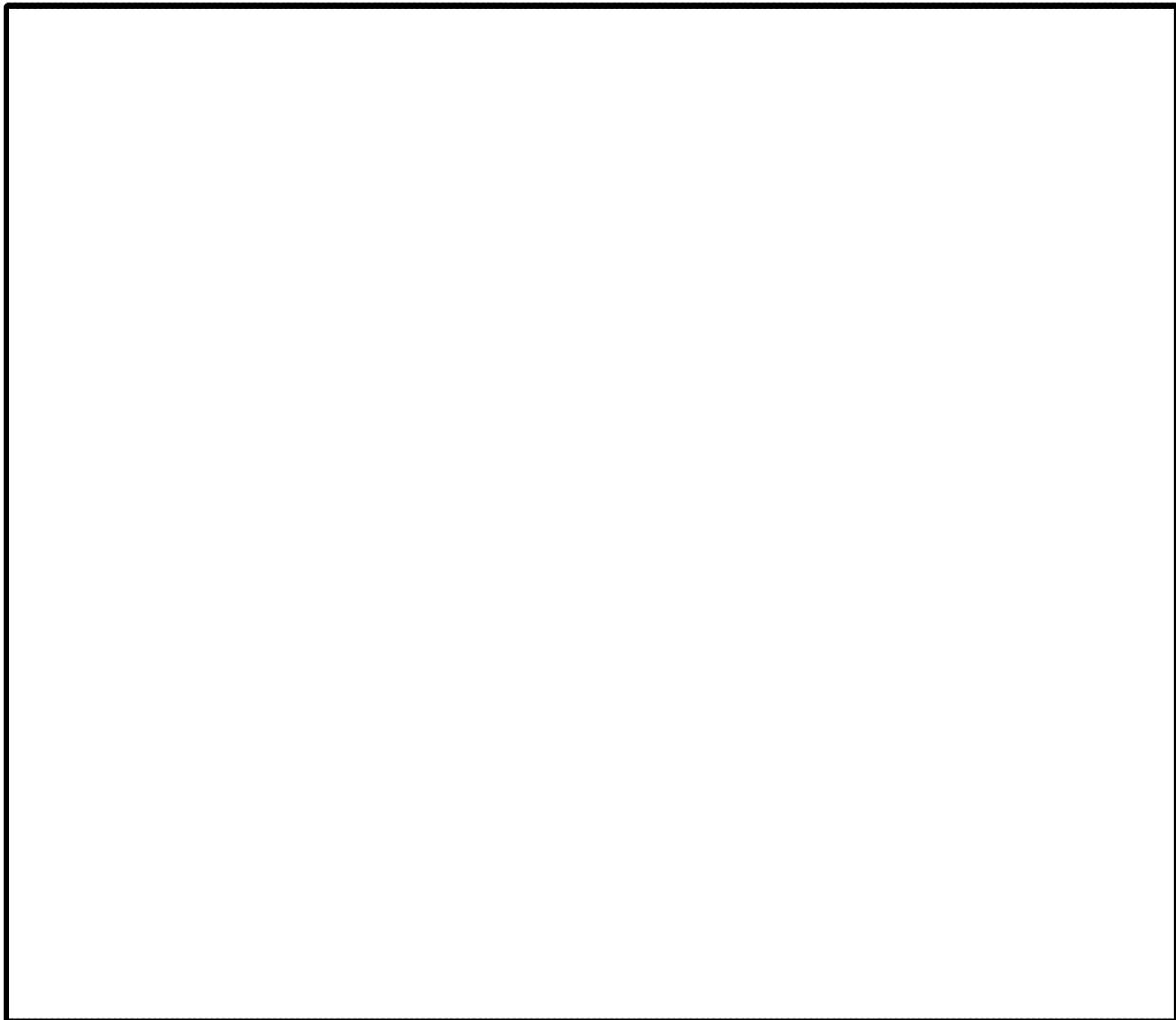
## Immigrant Investor Applications

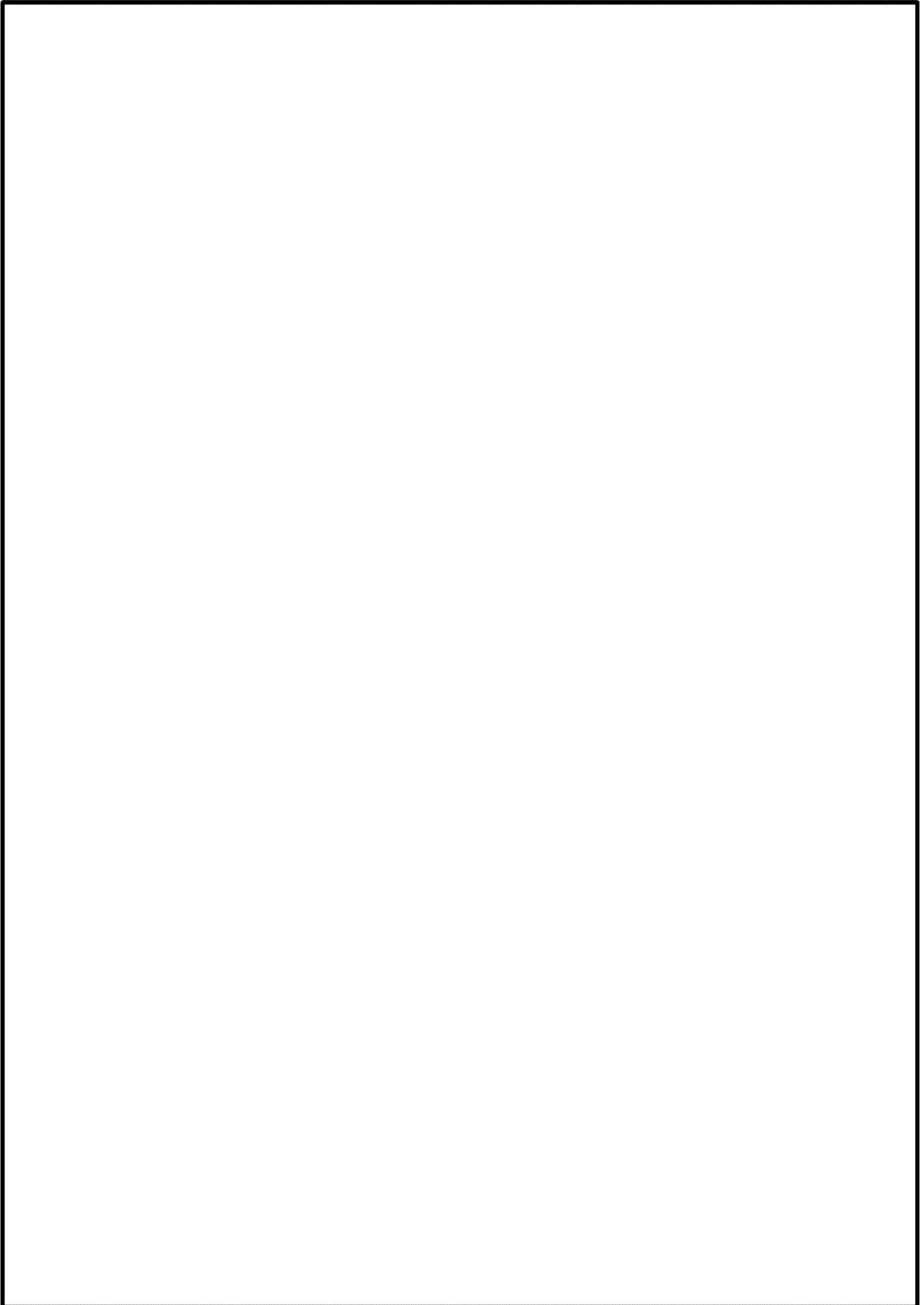
The offering has been structured to maximize the possibility that investors can satisfy the requirements of the employment creation immigrant investor provisions of the Program. Under the Program, foreign investors who qualify as an "employment creation immigrant investor" may become eligible to apply with their spouses and unmarried minor children for admission to the United States as conditional permanent residents and later qualify for legal permanent residence status.

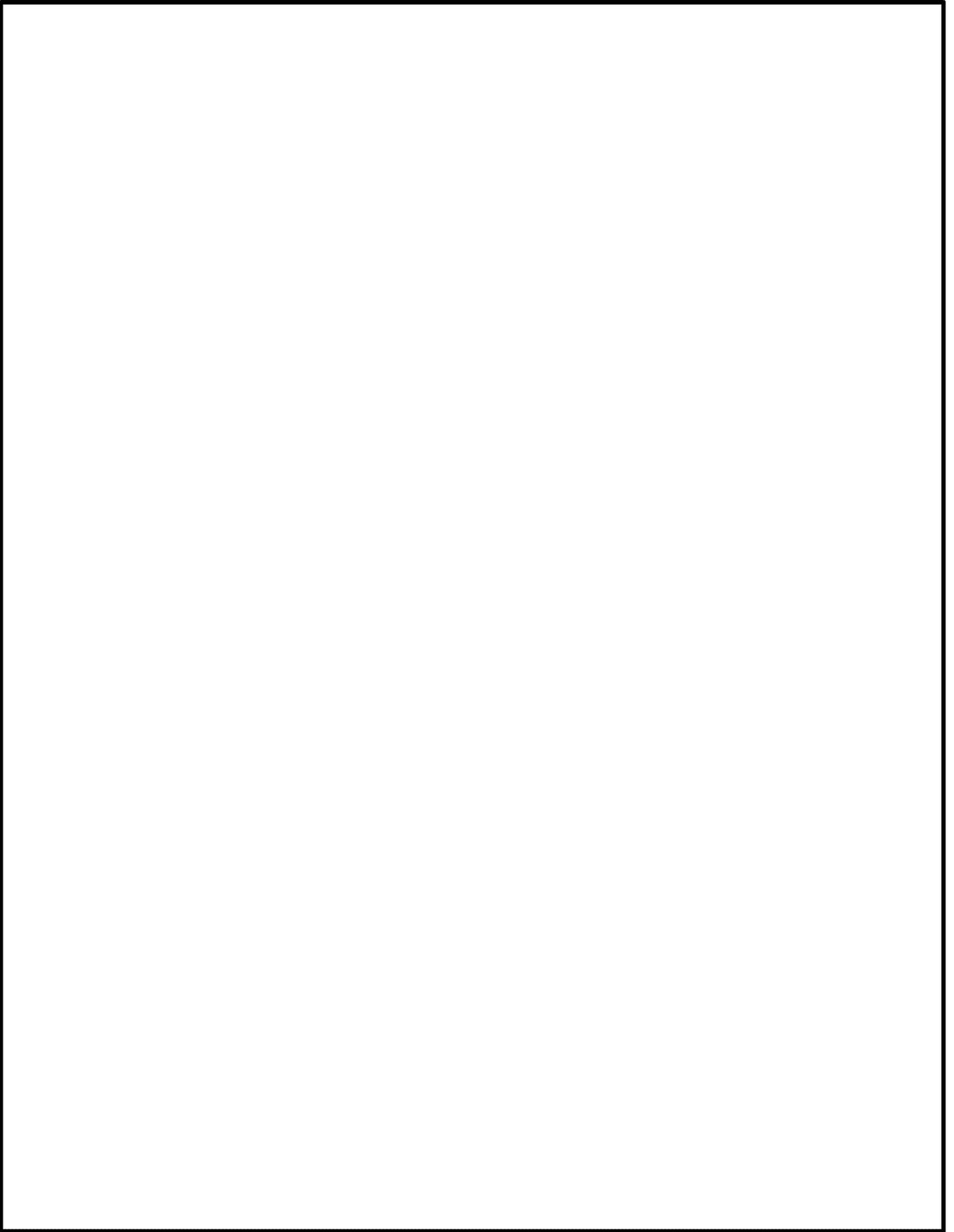
GLRC I shall support the investor's filing of the Investor's Form I-526 Immigration Petition by Alien Entrepreneur (the "I-526 Petition") and the Investor's Form I-829 Petition by Entrepreneur to Remove Conditions (the "I-829 Petition") with the United States Citizenship & Immigration Service ("USCIS").

GLRC I will not provide legal services to Investors in filing for legal permanent residence. Investors should hire and retain an attorney of their own choosing. Investors are urged to retain an attorney who is experienced in immigration matters.

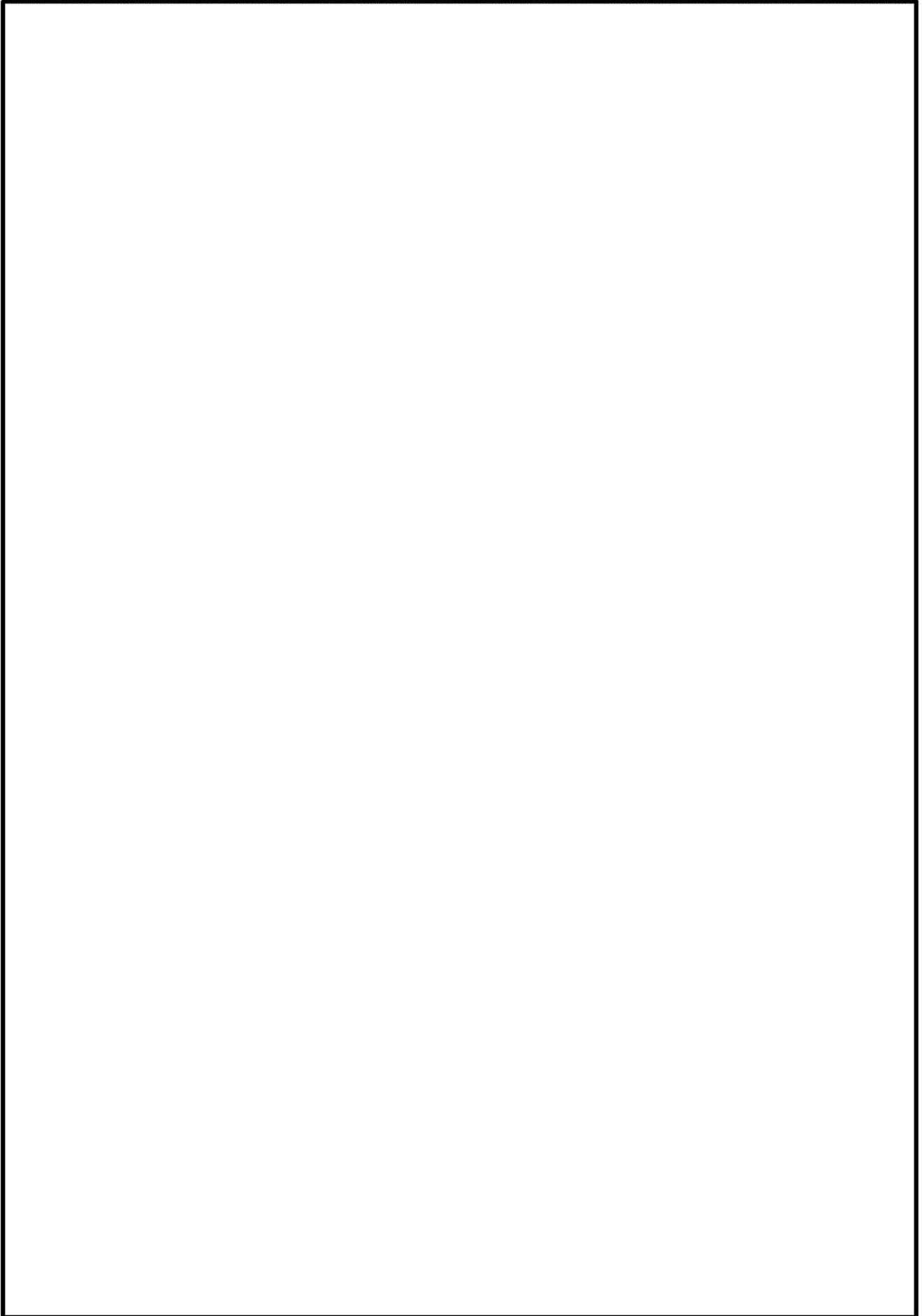
(b)(4)







(b)(4)



possible that, following the Initial Closing, GLRC I will be unable to sell more Class C Units and that GLRC I will have less equity capitalization from Investors than is anticipated.

### **Immigration Risks**

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of GLRC I. These include the Investor's past history and quotas established by the USCIS limiting the number of visas granted to investors in a single year. Although GLRC I has been structured so that each Class C Member may qualify for permanent residency under the Program, no assurance can be given that each investor will obtain approval of his particular I-526 Petition.

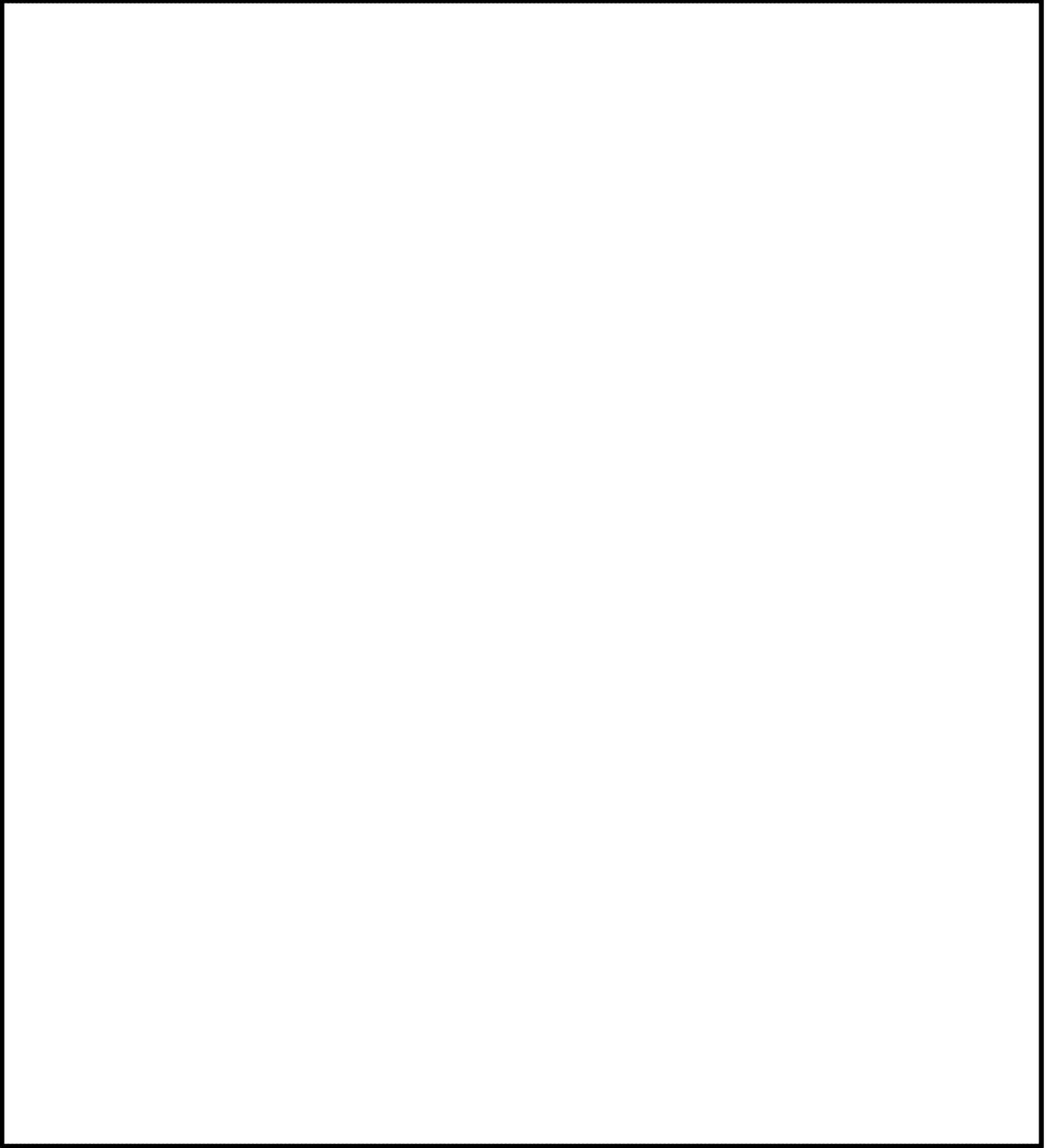
Each Prospective Investor should consult competent immigration counsel to review the likelihood that the Investor's I-526 Petition will be granted.

### **CONFLICTS OF INTEREST**



(b)(4)

(b)(4)

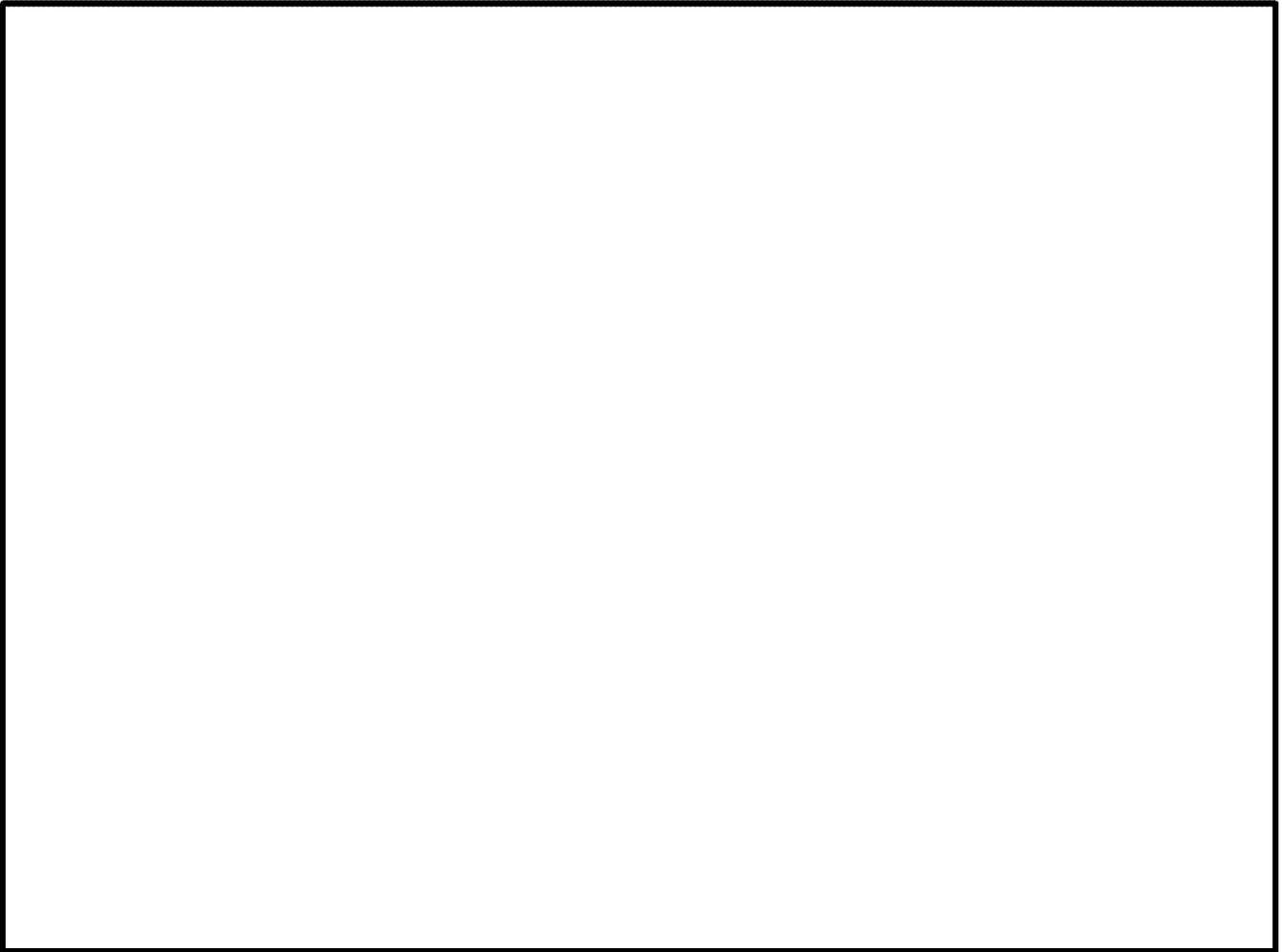


**MANAGER'S FIDUCIARY RESPONSIBILITY**

(b)(4)



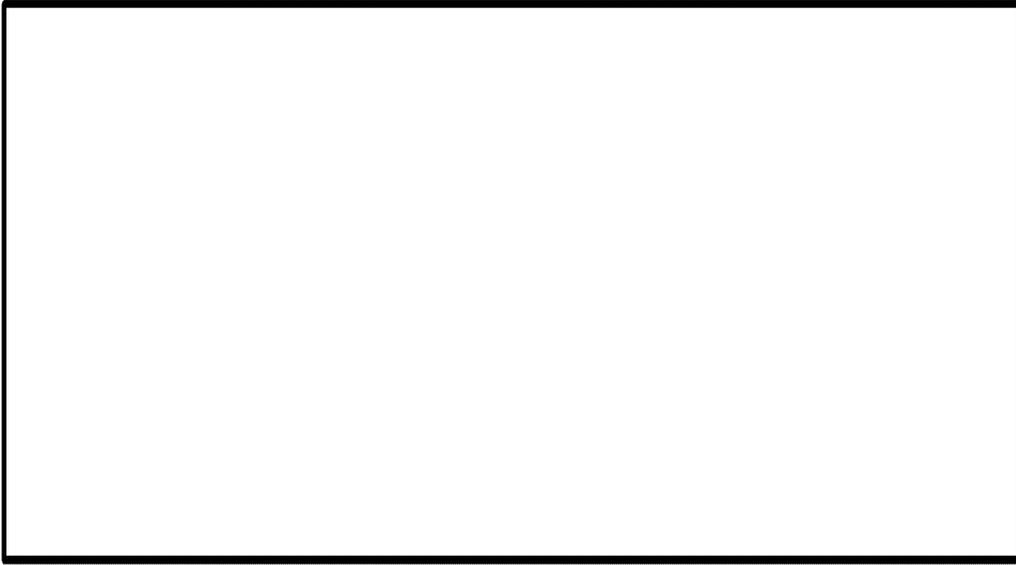
(b)(4)



*Appendix B – GLRC I Financials*

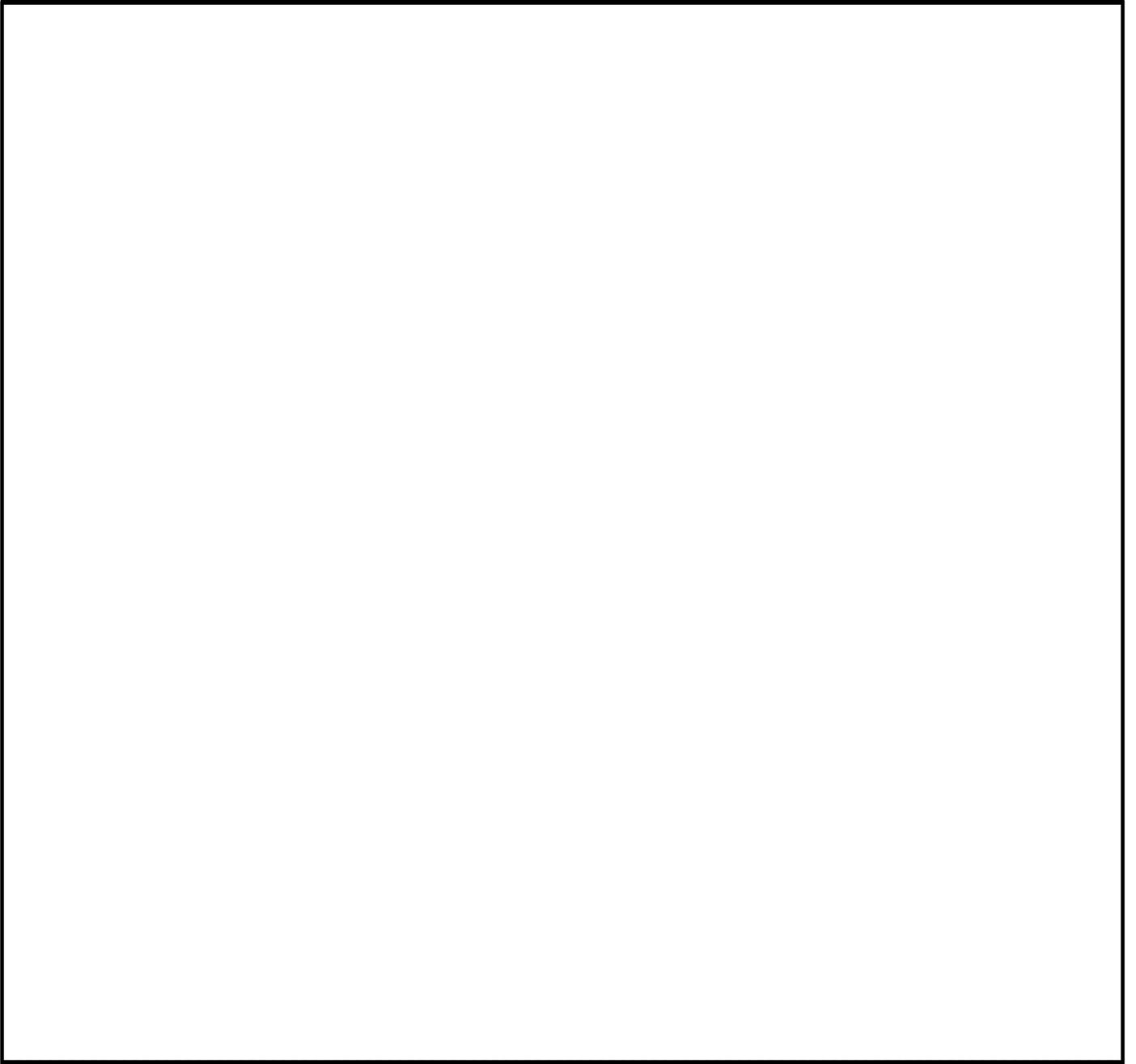
(b)(4)

GLRC INVESTMENT FUND I, LLC - FINANCIAL PROJECTIONS



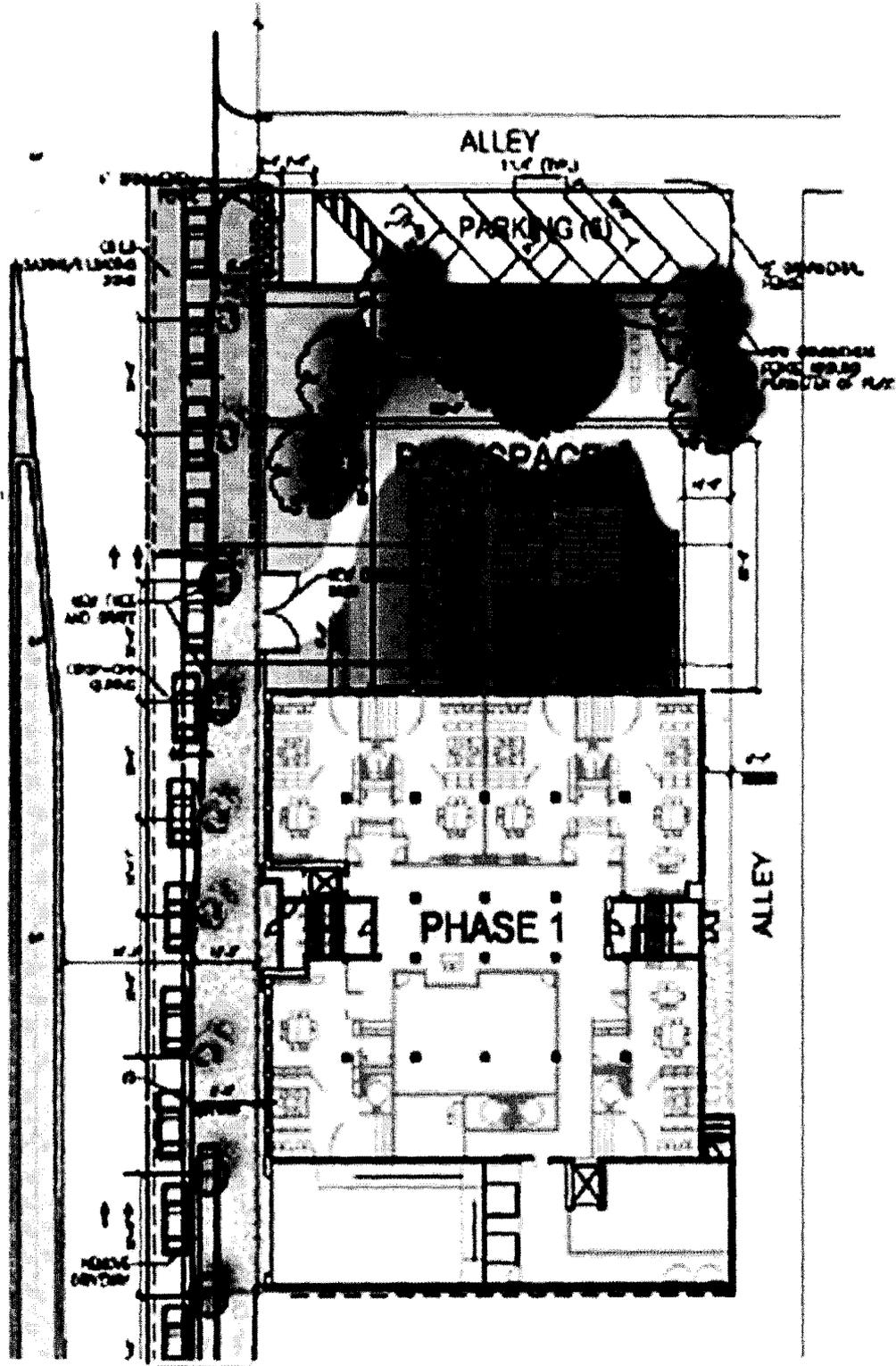
(b)(4)

GLRC INVESTMENT FUND I, LLC - FINANCIAL PROJECTIONS

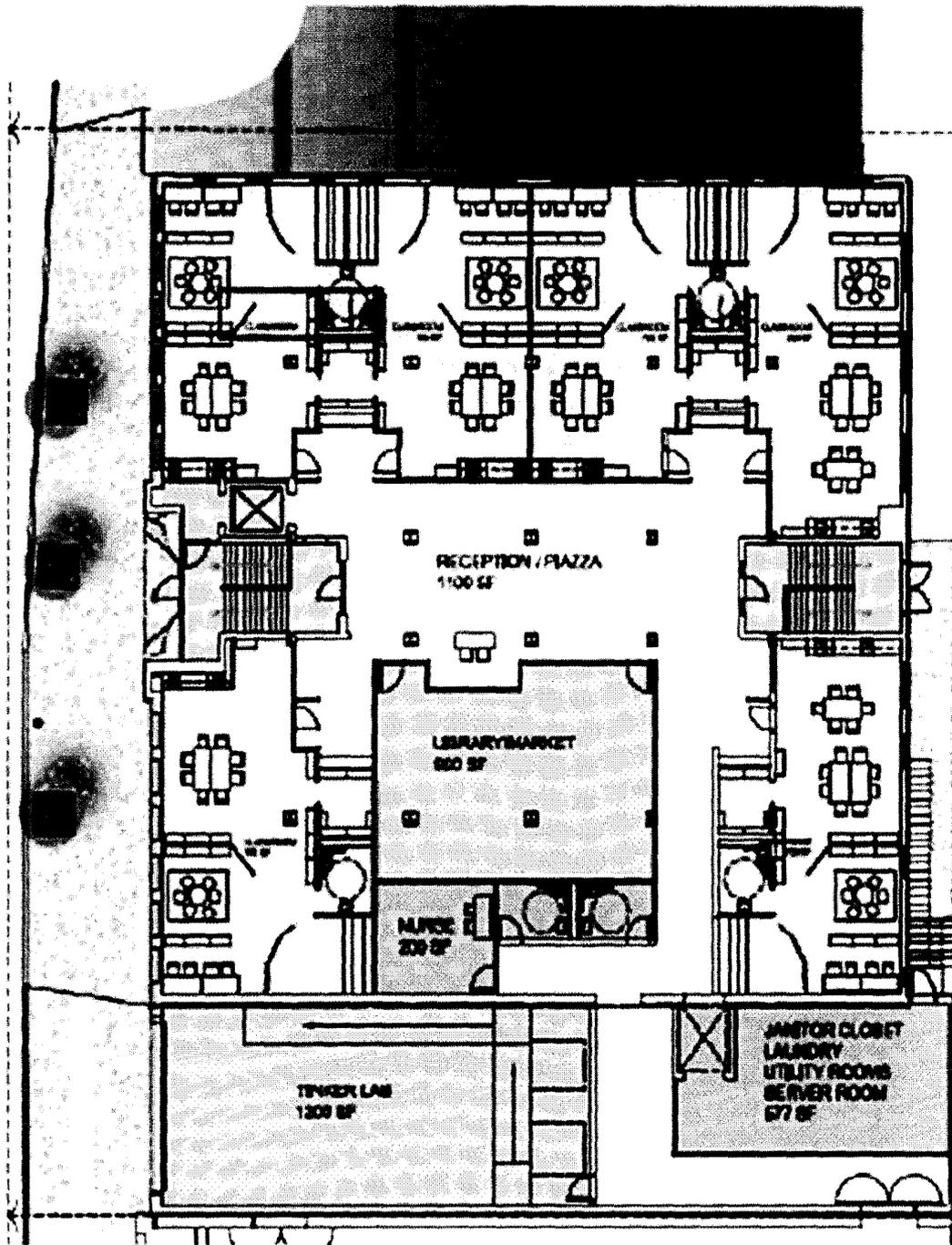


Appendix C – Artist’s Renderings of Bennett Day Project

Initial Site Plan



Conceptual Floor Plan



*Appendix D – Project Company Financials*

## **Appendices**

### *Appendix A – GLRC I Offering Documents*

**Secretary of State Jesse White**  
Department of Business Services  
Limited Liability Division  
www.cyberdriveillinois.com

Filing Fee: \$500  
Expedited Fee: \$100  
Approved By: REH

**FILED**  
**JUL 31 2013**  
**Jesse White**  
**Secretary of State**

1. Limited Liability Company Name: GLRC INVESTMENT FUND I, LLC
  
2. Address of Principal Place of Business where records of the company will be kept:  
20 N WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606
  
3. Articles of Organization effective on the filing date.
  
4. Registered Agent's Name and Registered Office Address:  
  

DAVID B. ANDERSON  
20 N WACKER DR STE 2200  
CHICAGO, IL 60606-3003

COOK
  
5. Purpose for which the Limited Liability Company is organized:  
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."
  
6. The LLC is to have perpetual existence.
  
7. The Limited Liability Company is managed by the manager(s).  
  

ANDERSON, DAVID B.  
20 N. WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606

**8. Name and Address of Organizer**

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: JULY 31, 2013

DAVID B. ANDERSON  
20 N. WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606



**EIN Assistant**

Your Progress: 1. Identity  2. Authenticate  3. Addresses  4. Details  5. EIN Confirmation

**Summary of your information**

Please review the information you are about to submit. If any of the information below is incorrect, you will need to [start a new application](#).

Click the "Submit" button at the bottom of the page to receive your EIN.

**Organization Type: LLC**

**LLC Information**

Legal name:	GLRC INVESTMENT FUND I LLC
County:	COOK
State/Territory:	IL
Start date:	JULY 2013
Closing month of accounting year:	DECEMBER (The closing month of the accounting year is defaulted to December due to your organization type. To change your closing month of accounting year, complete <a href="#">Form 1128</a> .)
State/Territory where articles of organization are (or will be) filed:	IL

**Help Topics**

[What is Form 1128?](#)

**Addresses**

Physical Location:	20 N WACKER DR STE 2200 CHICAGO IL 60606
Phone Number:	312-965-5979

**Responsible Party**

(b)(3)

Name:	HCE INTL LLC MBR
EIN:	<input type="text"/>

**Principal Business Activity**

What your business/organization does:	SERVICE
Principal products/services:	MANAGEMENT

**Additional LLC Information**

Owns a 55,000 pounds or greater highway motor vehicle:	NO
Involves gambling/wagering:	NO
Involves alcohol, tobacco or firearms:	NO
Files Form 720 (Quarterly Federal Excise Tax Return):	NO
Has employees who receive Forms W-2:	NO
Reason for Applying:	STARTED A NEW BUSINESS

We strongly recommend you print this summary page for your records as this will be your only copy of the application. You will not be able to return to this page after you click the "Submit" button.

Click "Submit" to send your request and receive your EIN.

Once you submit, please wait while your application is being processed. It can take up to two minutes for your application to be processed.



Pat Quinn  
Governor

Jay Rowell  
Director

June 26, 2013

Cameron Smith  
Chief Executive Officer  
Bennett Day School, Inc.  
1158 W Dickens Ave  
Chicago, IL 60614

Dear Mr. Smith:

Please be advised that the Illinois Department of Employment Security (IDES) is the designated state agency with the authority to certify that geographic areas within the State of Illinois qualify as areas of high unemployment under the Alien Entrepreneur Visa Program.

This is to confirm that the proposed project at 955 West Grand Avenue, Chicago, IL 60642 is located in an area of high unemployment as defined in Section 8 CFR 204.6(i) of the Code of Federal Regulations. The proposed project encompasses the Census Tracts in the attached table and map, all of which are located in Chicago. Federal regulations do not provide guidelines on how physical boundaries are to be evaluated, so IDES has made no judgment based on the physical boundaries of the area. IDES solely evaluates whether the geographic area meets the standards for a high unemployment area. Further, an area's final designation as a Targeted Employment Area will be made by U.S. Citizenship and Immigration Services.

The determination of eligibility is based on an analysis of the labor force data for the 12-month period ending December 2012 for the above mentioned Census Tracts and for the U.S. as a whole. The Census Tract data were developed by the Economic Information and Analysis Division of IDES using the census-share method, as described in the U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program Manual. The average national unemployment rate for the year 2012 was 8.1 percent. We have determined that the 2012 unemployment rate for the group of Census Tracts that comprise the high unemployment area was 17.3 percent or 214 percent of the 2012 national unemployment rate.

**The State of Illinois has not investigated the proposed project, nor has it made an assessment about the quality of the project, or the potential for earnings of the project at the above address. The State of Illinois verifies that the area designated is an area of high unemployment and is contiguous but does not evaluate the geographic boundaries. Projects in a TEA are not affiliated with, or sponsored by, the State of Illinois or the Illinois Department of Employment Security.**

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Reinhold", written over a white background.

Richard Reinhold  
Manager, Local Area Unemployment Statistics  
Economic Information and Analysis Division

Source: Illinois Department of Employment Security, Economic Information and Analysis

\* Latest 12 month period includes January 2012 through December 2012 - data are subject to change

County	Census Tract Number	Place Name	Time Period	Labor Force	Employed	Unemployed	Unemployment Rate
United States (in thousands)	-	-	Latest 12 mo *	154,975	142,469	12,506	8.1
Cook	2315.00	Chicago city	Latest 12 mo *	2,297	1,636	661	28.8
Cook	2316.00	Chicago city	Latest 12 mo *	598	445	153	25.6
Cook	2317.00	Chicago city	Latest 12 mo *	292	180	112	38.4
Cook	2434.00	Chicago city	Latest 12 mo *	1,824	1,722	102	5.6
Cook	2435.00	Chicago city	Latest 12 mo *	1,418	1,296	122	8.6
Cook	2701.00	Chicago city	Latest 12 mo *	133	123	10	7.5
Cook	2702.00	Chicago city	Latest 12 mo *	566	464	102	18.0
Cook	2703.00	Chicago city	Latest 12 mo *	546	454	92	16.8
Cook	2704.00	Chicago city	Latest 12 mo *	345	274	71	20.6
Cook	2802.00	Chicago city	Latest 12 mo *	750	719	31	4.1
Cook	2803.00	Chicago city	Latest 12 mo *	249	218	31	12.4
Cook	2804.00	Chicago city	Latest 12 mo *	444	312	132	29.7
Cook	2805.00	Chicago city	Latest 12 mo *	250	199	51	20.4
Cook	2806.00	Chicago city	Latest 12 mo *	58	38	20	34.5
<b>High unemployment area</b>				<b>9,770</b>	<b>8,080</b>	<b>1,690</b>	<b>17.3</b>

 Location of proposed project



**Legend:**

**Boundaries**

- State
- '00 County
- '00 Census Tract

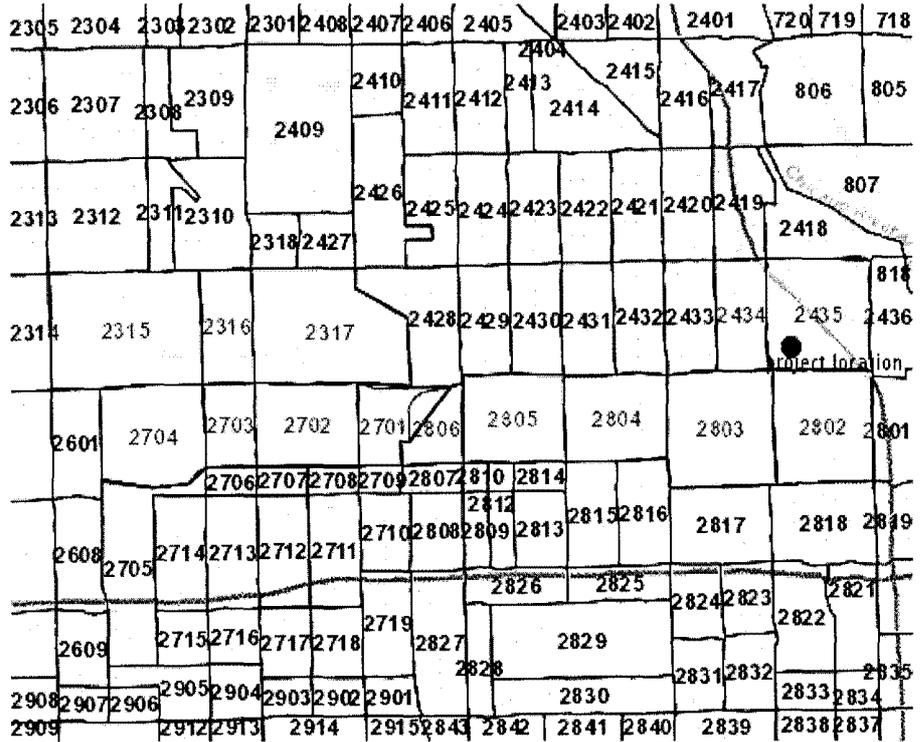
**Features**

- Street
- Stream/Waterbody

**Your Selections**

- Your Selections

Items in grey text are not visible at this zoom level



**OPERATING AGREEMENT OF  
GLRC INVESTMENT FUND I, LLC**

THIS OPERATING AGREEMENT (hereinafter the "Operating Agreement") is made as of the 31st day of July, 2013, by HCE INTL, LLC ("Class A Members"), such other parties who may sign this Operating Agreement as Class B Members ("Class B Members") and Class C Members ("Class C Members") (the Class A Members, Class B Members, and Class C Members are hereinafter collectively referred to as the "Members").

**WITNESSETH**

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties hereto agree as follows:

**1 ARTICLE 1 – FORMATION OF GLRC INVESTMENT FUND I, LLC ("GLRC I")**

- (b)(4)
- 1.1 Formation. GLRC I was formed upon the filing with the Secretary of State of Illinois of the Articles of Organization of GLRC I (the "Articles of Organization") pursuant to the provisions of the Illinois Limited Liability Company Act (the "Act"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the rights and obligations of the Members and the administration and termination of GLRC I shall be governed by this Operating Agreement, the Articles of Organization and the Act; provided, however, that to the extent this Operating Agreement is in conflict with the default provisions of the Act, this Operating Agreement, to the extent permitted by the Act, shall control. David B. Anderson, as the organizer of GLRC I (the "Organizer"), formed GLRC I on behalf of the Members under Illinois law by filing the Articles of Organization on behalf of the Members, and has identified the Members initially executing this Operating Agreement as the initial members of GLRC I in accordance with the Act. [REDACTED]
- [REDACTED] The Members shall execute and cause to be recorded such additional documents as may be required for a limited liability company pursuant to the laws of the State of Illinois. GLRC I is managed by a Manager and the initial Manager is David B. Anderson.
- 1.2 Name. The name of GLRC I may be changed from time to time by amendment of the Articles of Organization. GLRC I may transact business under an assumed name by filing an assumed name certificate in the manner prescribed by applicable law.
- 1.3 Registered Office and Registered Agent. GLRC I's registered office and registered agent shall be as set forth in the Articles of Organization or as otherwise provided in the most current annual report filed with the Illinois Secretary of State. GLRC I may change its registered agent or registered office as the Manager may from time to time deem necessary or advisable.
- 1.4 Principal Place of Business. The principal place of business of GLRC I shall be at 20 N. Wacker Drive, Suite 2200, Chicago, IL 60606. GLRC I may locate its place(s) of business at any other place or places as the Manager may from time to time deem necessary or advisable.
- 1.5 Term. Except as otherwise provided in GLRC I's Articles of Organization, the duration of GLRC I shall be perpetual, unless GLRC I is earlier dissolved and its affairs wound up in accordance with the provisions of this Operating Agreement or the Act.

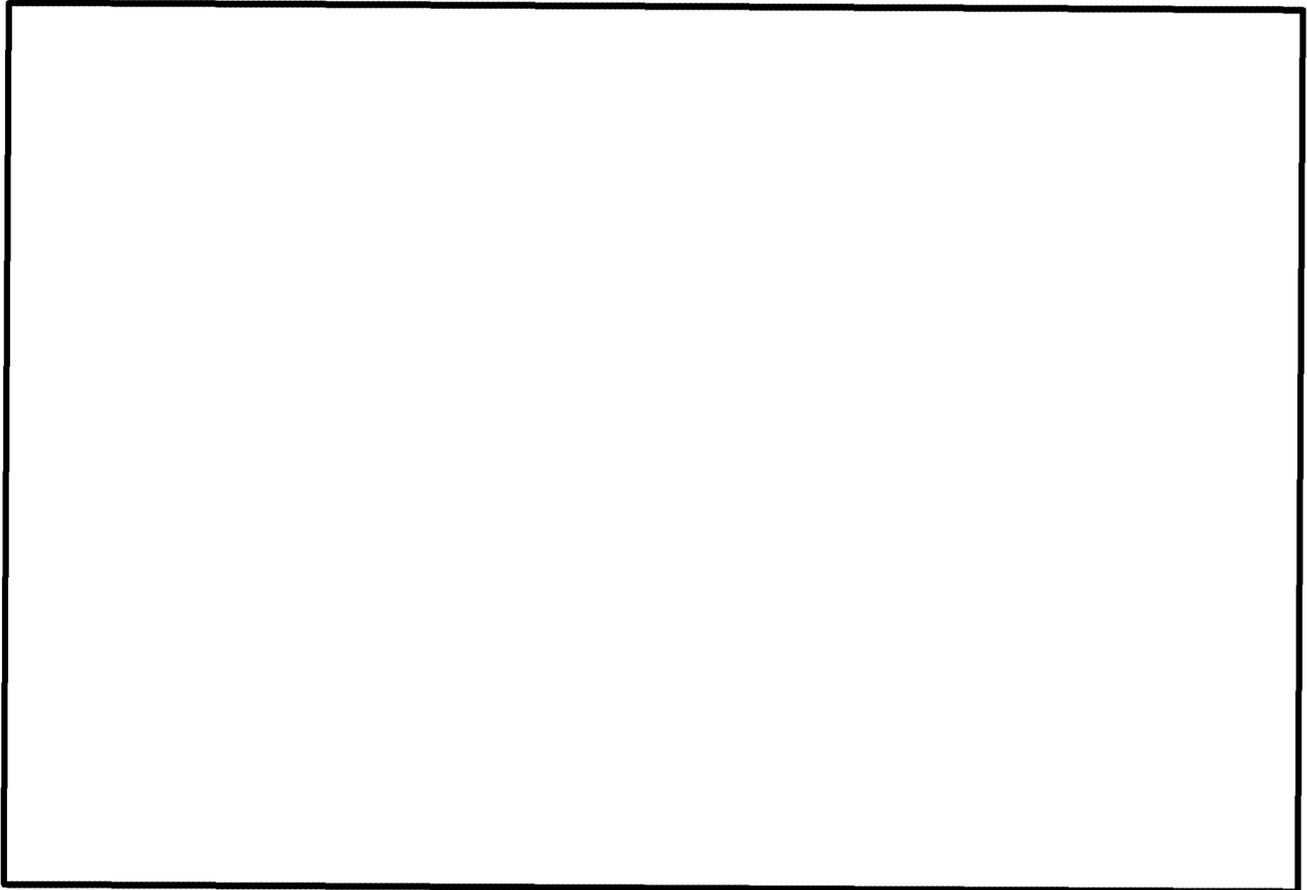
1.6 Purposes. The business and purpose of GLRC I is to transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC I may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois. GLRC I intends to offer Membership Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC I shall assist those investors and their attorneys in connection with the application process by providing the necessary information regarding GLRC I and its business.

1.7 Powers. GLRC I shall have and exercise any and all powers necessary, incidental, or desirable to accomplish the foregoing purposes and business, to the extent the same may be legally exercised by limited liability companies under the Act. GLRC I shall carry out its business and exercise its powers pursuant to the arrangements set forth in the Articles of Organization and this Operating Agreement.

**2 ARTICLE 2 – CLASSES, MEMBERS AND MEMBERSHIP UNITS**

2.1

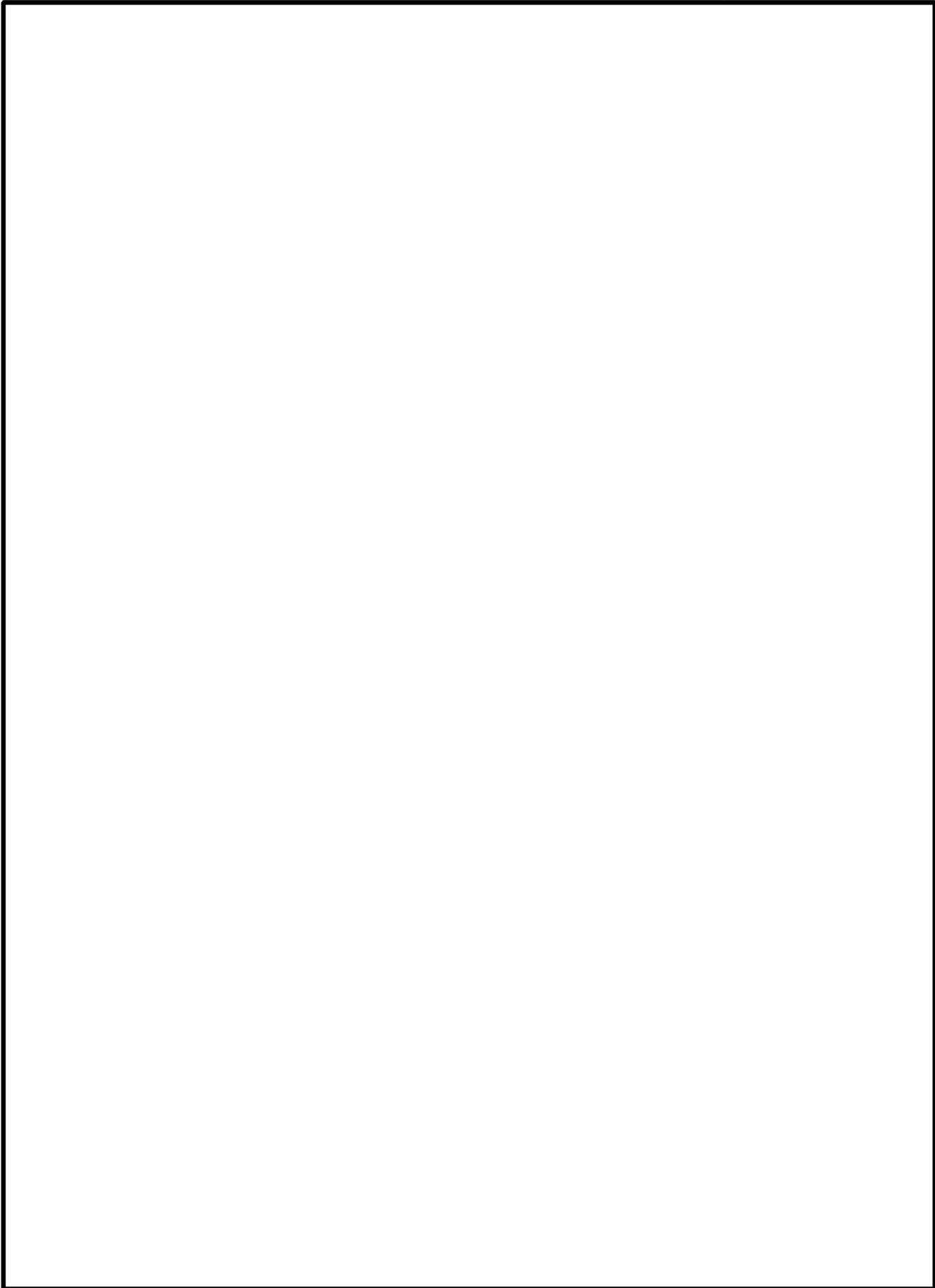
(b)(4)



2.2 Names and Addresses of Members. The names and addresses of the Members initially owning Class A Membership Units, Class B Membership Units, and/or Class C Membership Units are set forth in Exhibit A, attached hereto and made a part hereof. Such Exhibit A shall be amended by GLRC I from time to time as of the effective date of any transfer or subsequent issuance of Membership Units permitted by this Operating Agreement, or as the Members' Membership Units may otherwise be adjusted pursuant to this Operating Agreement.

2.3 Admission of Members.

(b)(4)



3

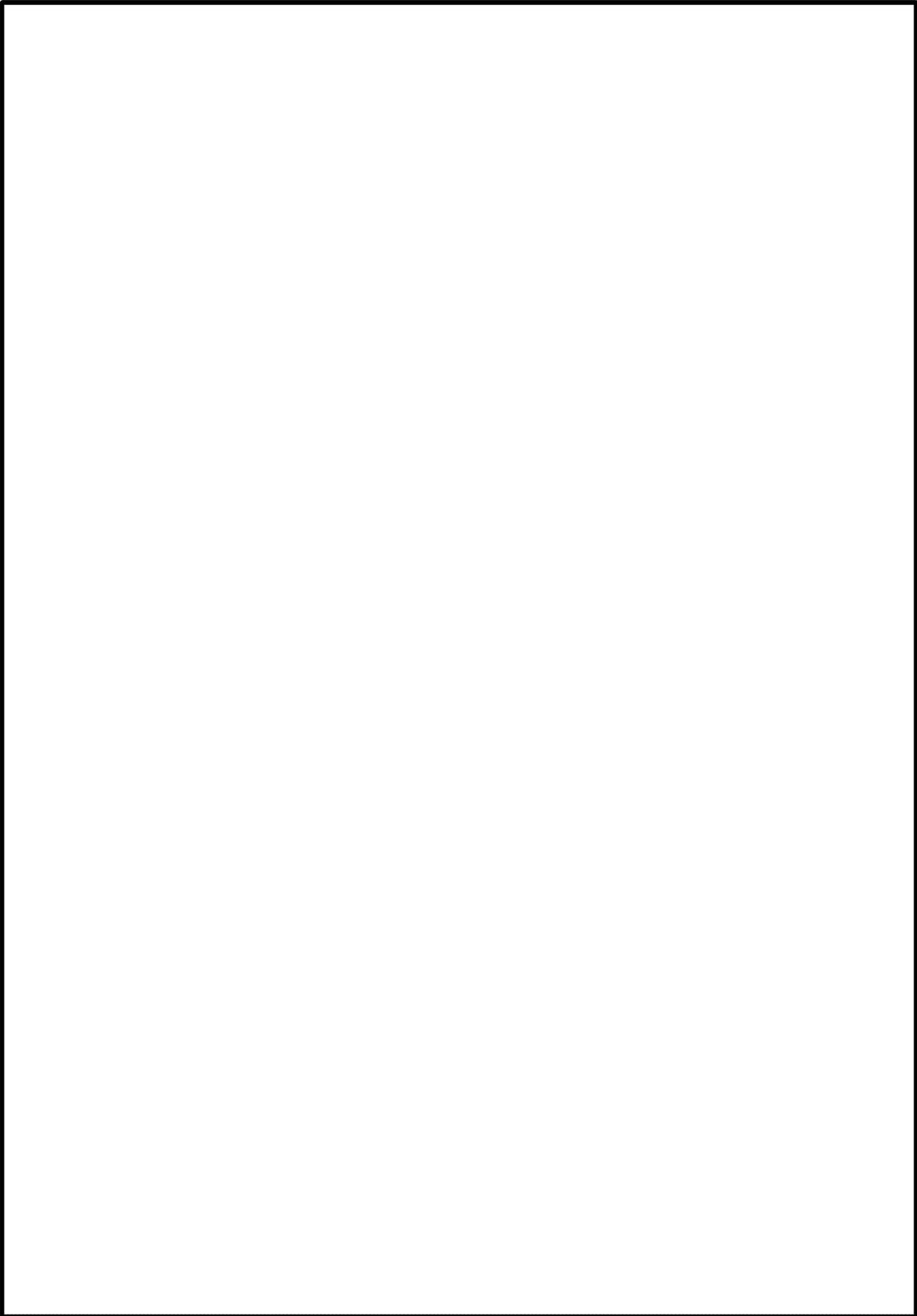
3.1

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(b)(4)

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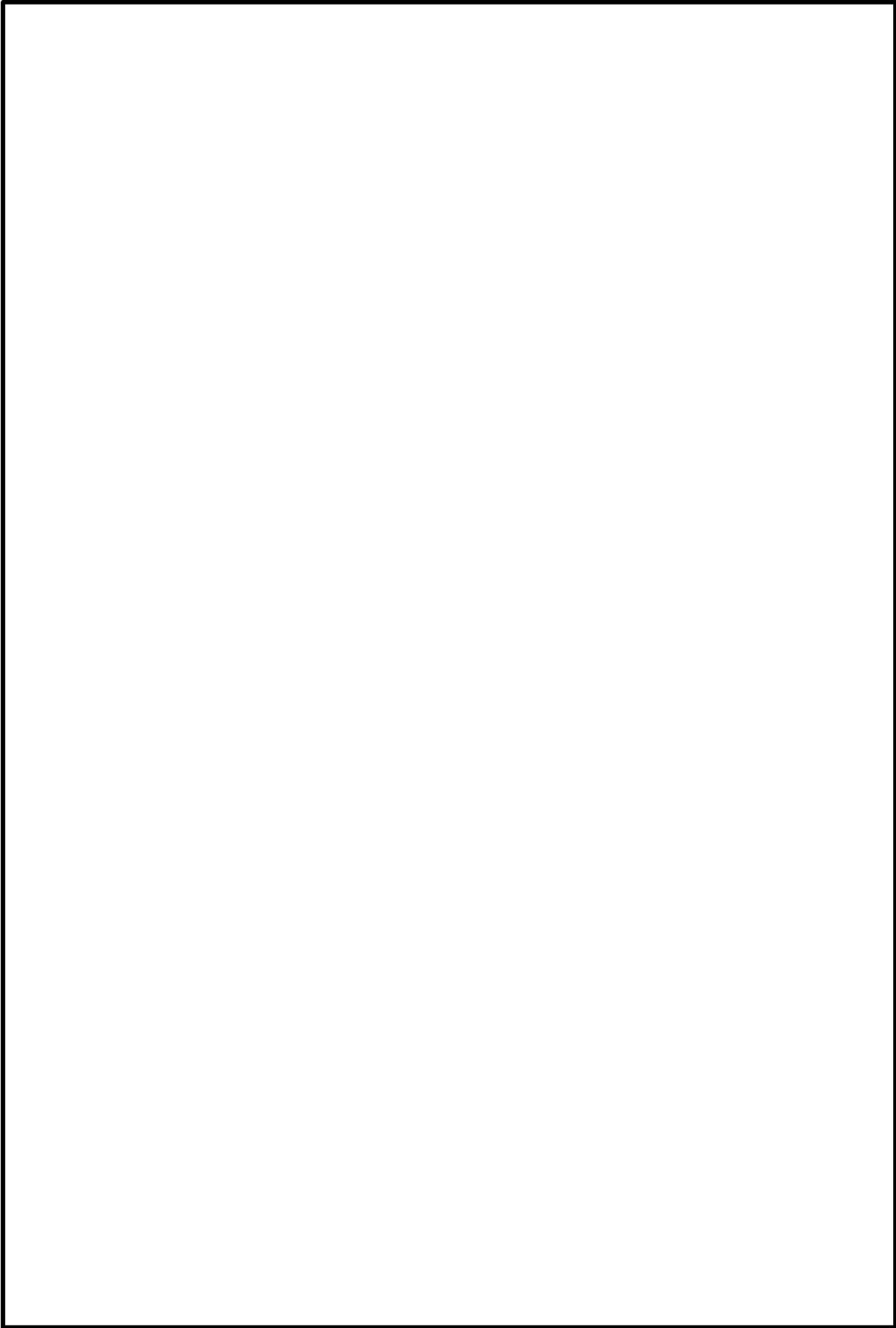
(b)(4)

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(b)(4)

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9

9.1

9.2

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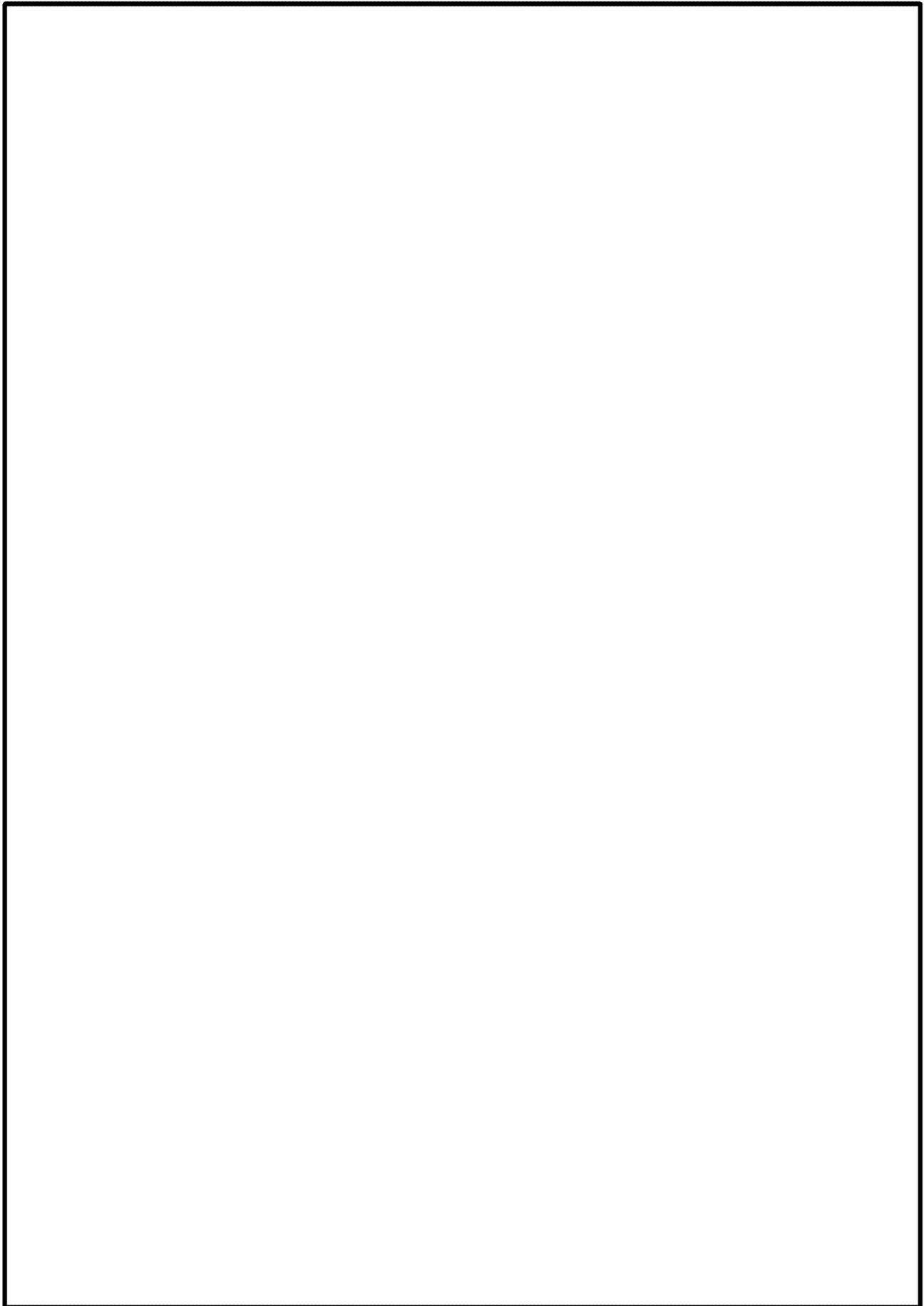
9.4

(b)(4)

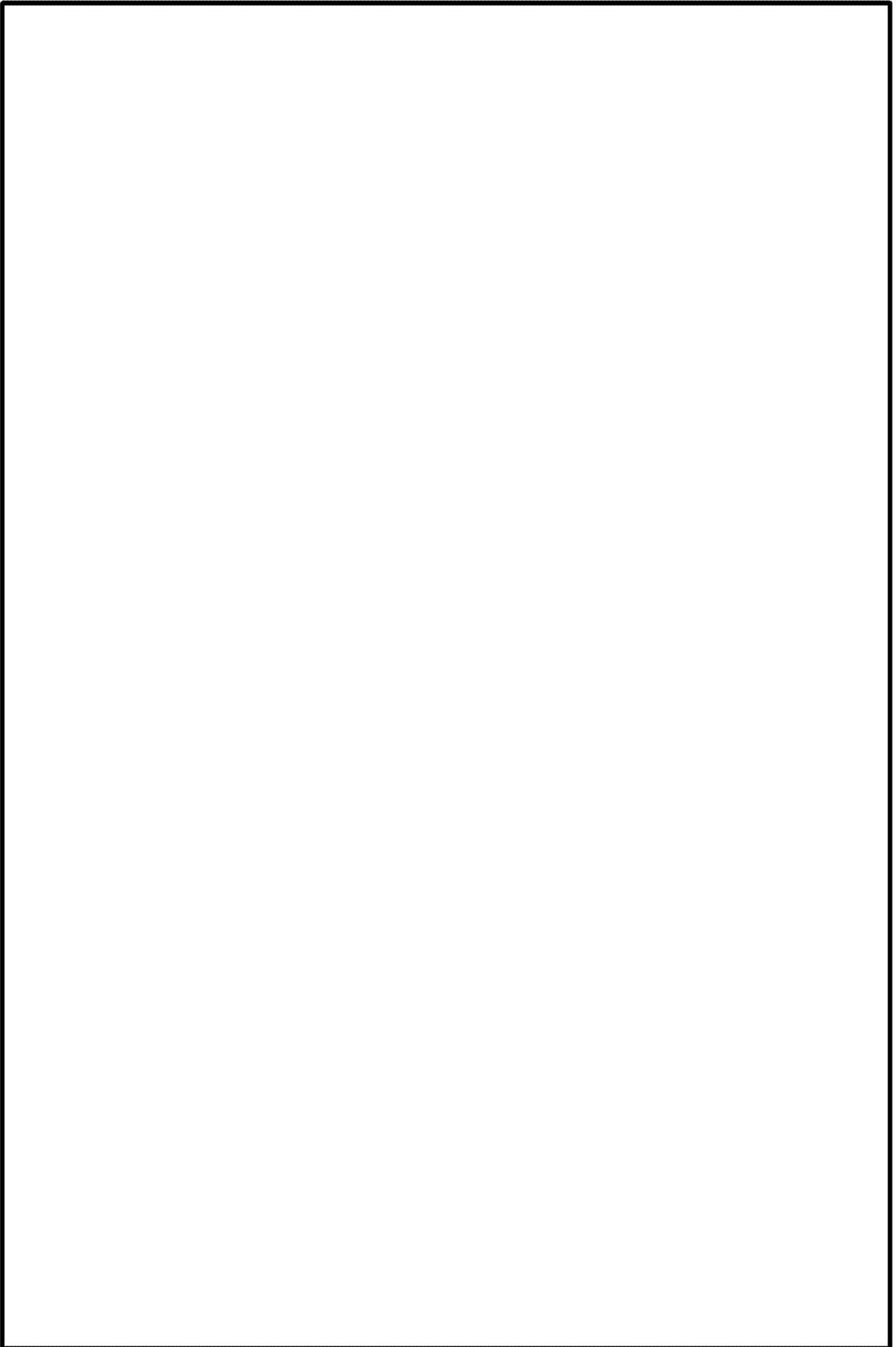
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11

11.1

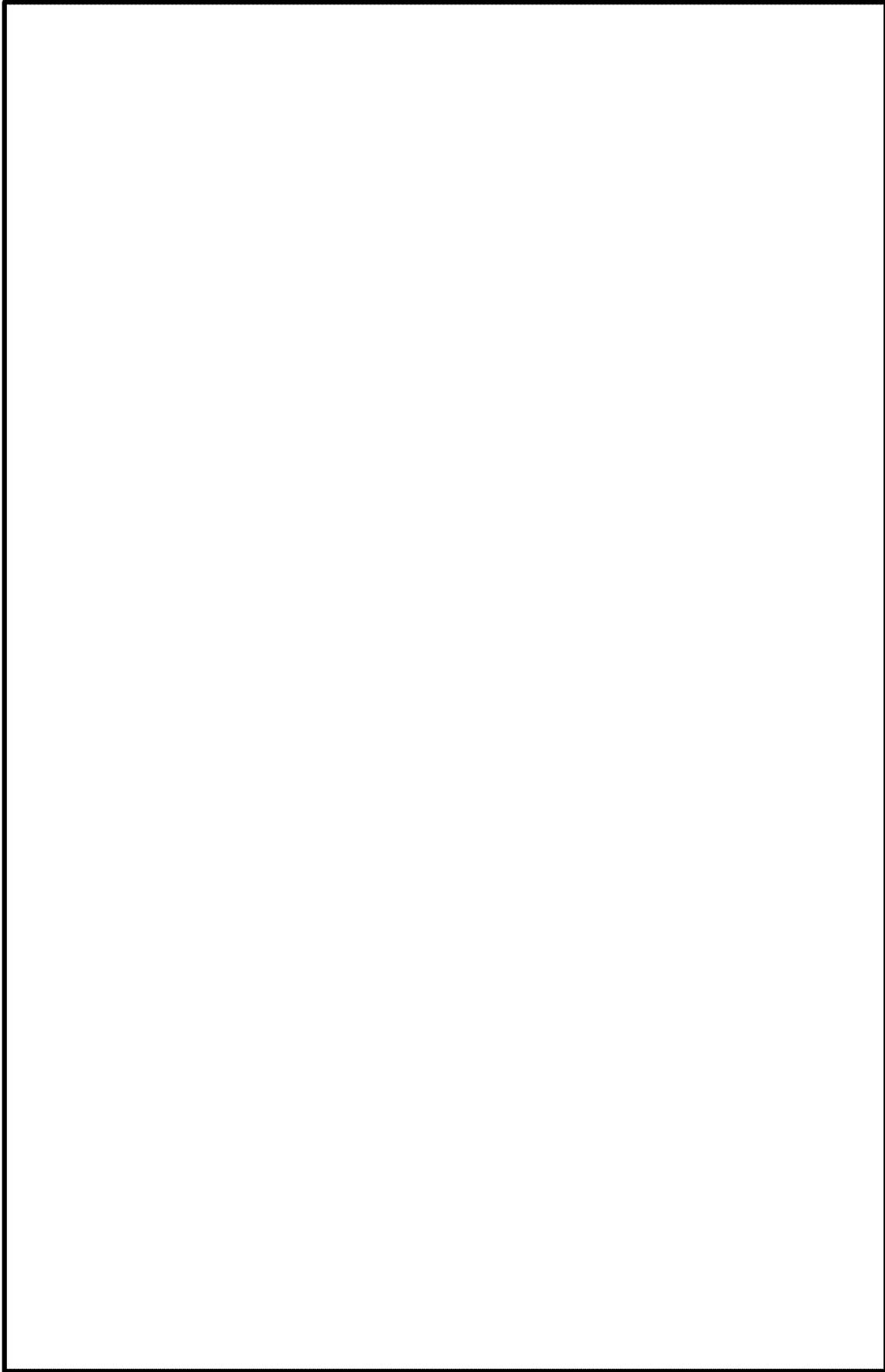


(b)(4)



11.2

(b)(4)



11.2.3

11.2.4

(b)(4)

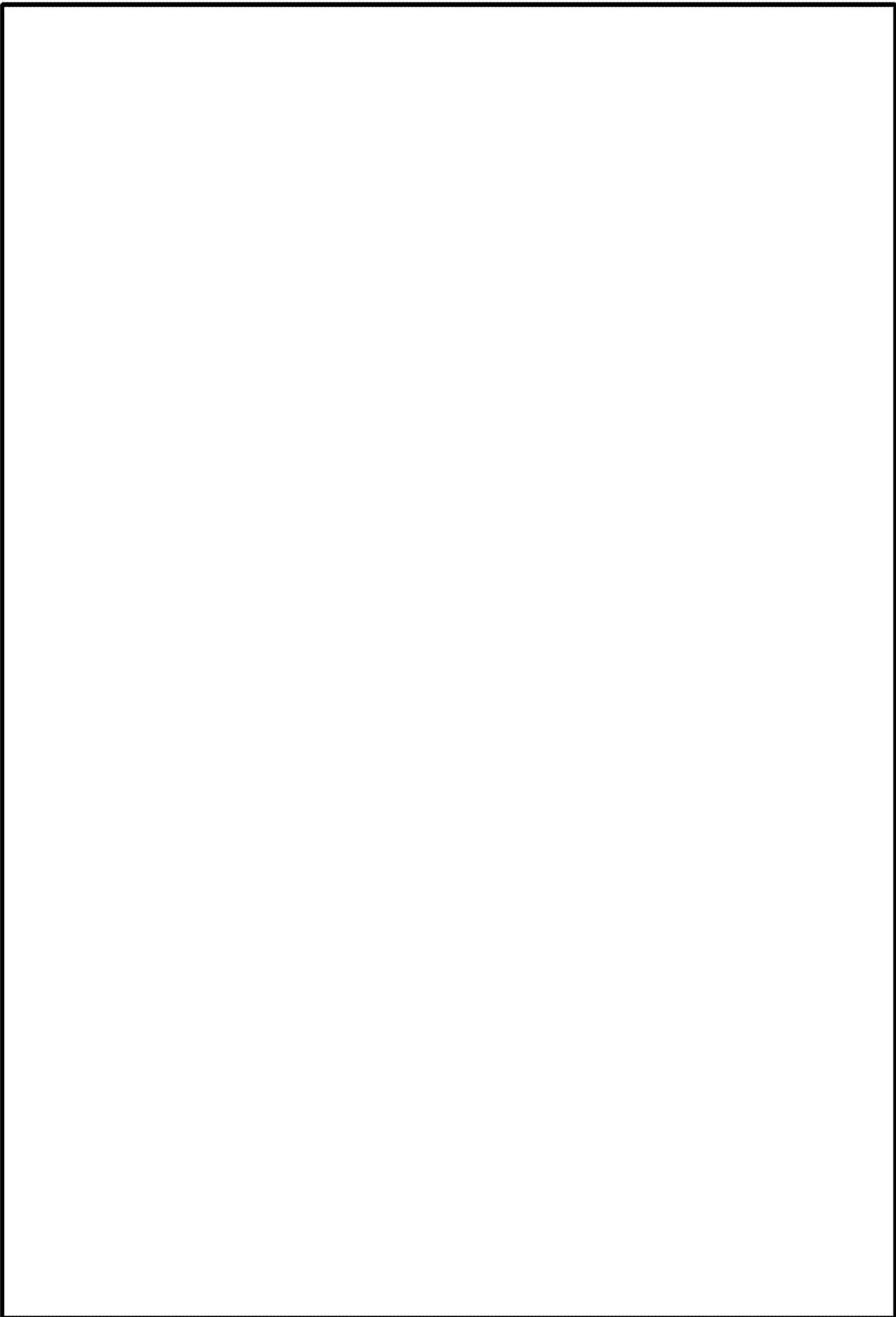
11.3

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(b)(4)



11.7

11.8

(b)(4)

12

13

13.1

13.2

13.3

14

14.1

14.2

(b)(4)

14.3

14.4

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14.7

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14.9

(b)(4)

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16

16.1

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16.4

16.5

**17 ARTICLE 17 – ENTIRE AGREEMENT**

This Operating Agreement constitutes the entire understanding between the Members and supersedes

any prior understandings and/or written or oral agreements between them respecting the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Members hereto relating to the subject matter of this Operating Agreement which are not fully expressed herein.

18

(b)(4)



19

**ARTICLE 19 – GOVERNING LAW**

This Operating Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Operating Agreement, or any matters whatsoever arising out of or in any way connected with this Operating Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

20

**ARTICLE 20 – CAPTIONS**

Any titles or captions contained in this Operating Agreement are for convenience only, and shall not be deemed a part of the text of this Operating Agreement.

21

**ARTICLE 21 – INTERPRETATION**

When the context in which the words used in this Operating Agreement indicate that such is the intent, words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.

22

(b)(4)



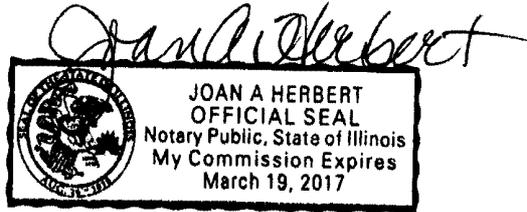
23

WITNESS the following signatures and seals:

**Class A Members**

HCE INTL, LLC.

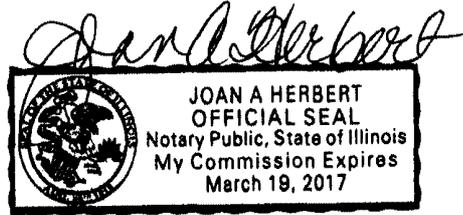
  
\_\_\_\_\_  
David B. Anderson, President & CEO



**Class B Members**

DAVID B. ANDERSON

  
\_\_\_\_\_  
David B. Anderson



**Class C Members**

**EXHIBIT A TO  
OPERATING AGREEMENT OF  
GLRC INVESTMENT FUND I, LLC**

**Class A Members:**

Member Name	Address	Membership Interests
HCE INTL, LLC	20 N. Wacker Drive, Suite 2200, Chicago, IL 60606	[REDACTED] (b)(4)

**Class B Members:**

Member Name	Address	Membership Interests
David B. Anderson	[REDACTED] (b)(6)	[REDACTED] (b)(4)

**Class C Members:**

Member Name	Address	Membership Interests
-------------	---------	----------------------

## SUBSCRIPTION AGREEMENT OF GLRC INVESTMENT FUND I, L

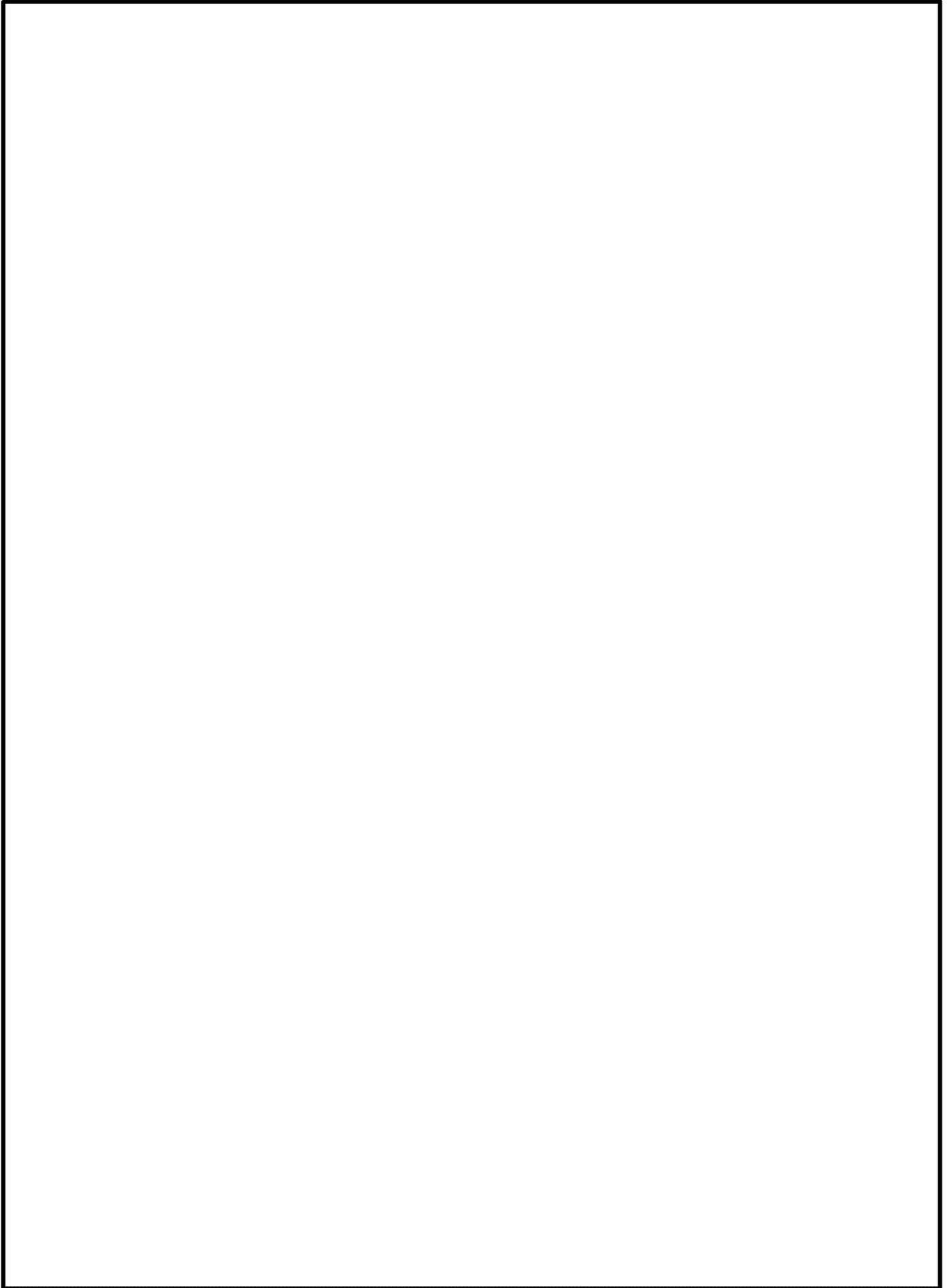
THIS SUBSCRIPTION AGREEMENT (the "Subscription Agreement") is made and entered into between GLRC Investment Fund I, LLC ("GLRC I"), and the person executing this Subscription Agreement as the Subscriber (the "Subscriber").

By executing this Subscription Agreement, the Subscriber acknowledges that he/she understands that GLRC I is relying upon the accuracy of the representations and warranties of Subscriber contained herein in complying with its obligations under applicable United States securities laws. Unless otherwise defined herein, initially capitalized terms used herein have the meaning ascribed to them in the Operating Agreement for GLRC Investment Fund I, LLC (the "Operating Agreement"), which is attached as Exhibit B to GLRC I's Confidential Offering Memorandum dated July 31, 2013, including all exhibits and any supplements (the "Offering Memorandum").

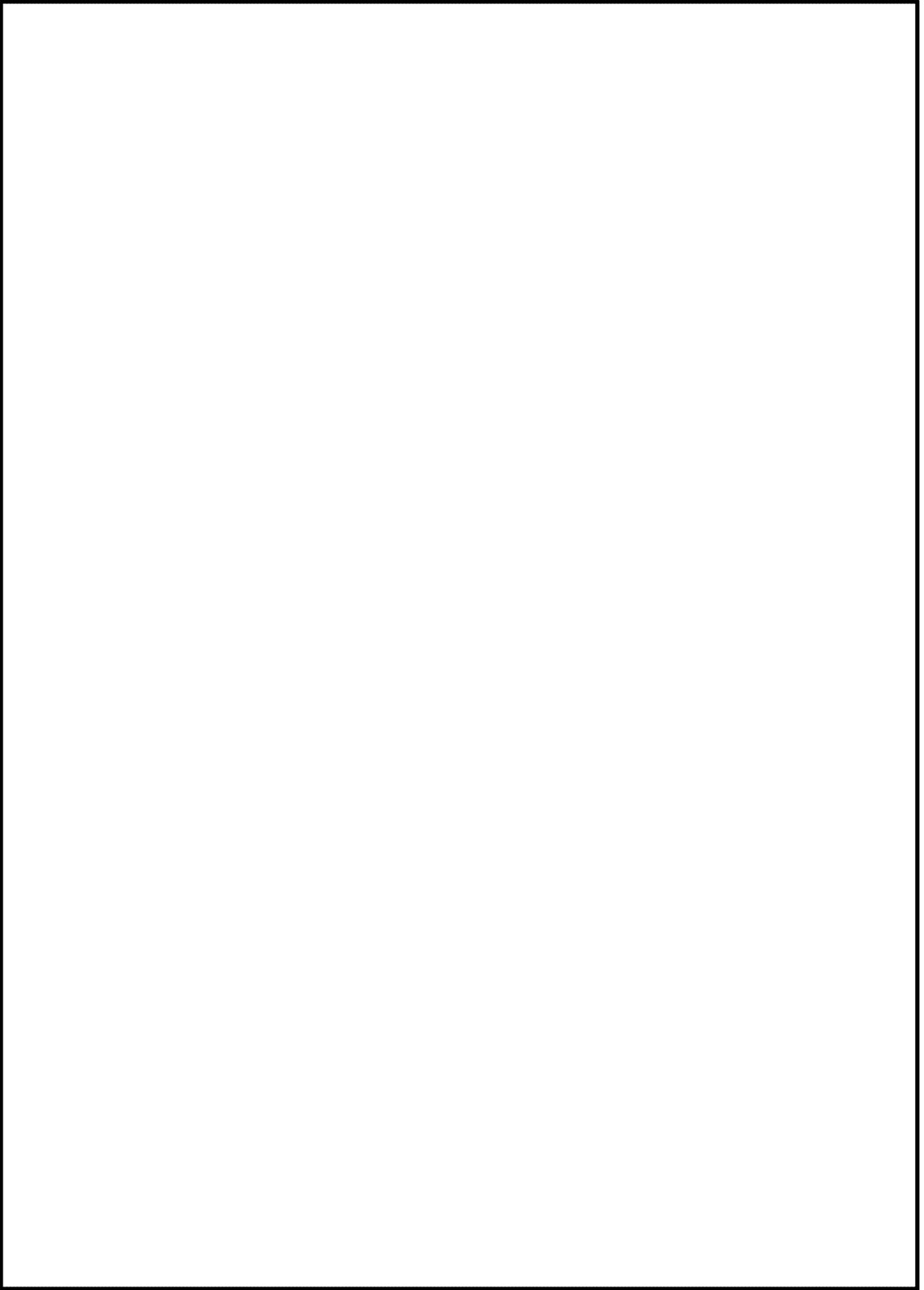
### Acknowledgment

(b)(4) The undersigned hereby acknowledges receipt of a copy of the Offering Memorandum.

(b)(4)



(b)(4)



(b)(4)

**Acceptance of Operating Agreement**

The Subscriber hereby accepts, adopts and agrees to be bound by each and every provision contained in the Operating Agreement and to become a Class C Member thereunder.

**Governing Law**

This Subscription Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Subscription Agreement, or any matters whatsoever arising out of or in any way connected with this Subscription Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

**Units, Payment and Ownership**

The Subscriber is subscribing to purchase the number of Class C Units specified below at a price of  per Unit. (b)(4)

Number of Class C Units  
Price per Class C Unit  
Amount of enclosed payment:

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement as of the date set forth below.

Name of Subscriber (print)	Signature	Date
-------------------------------	-----------	------

**ACCEPTANCE OF SUBSCRIPTION**

The foregoing subscription is hereby accepted as to \_\_\_\_\_ Class C Units by the Manager for and on behalf of GLRC Investment Fund I, LLC, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Name of Manager (print)	Signature	Date
----------------------------	-----------	------

**CAPITAL ESCROW AGREEMENT**

**THIS CAPITAL ESCROW AGREEMENT** (the "Capital Escrow Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between GLRC Investment Fund I, LLC ("GLRC I"), and the person executing this Capital Escrow Agreement as the Investor (the "Investor").

(b)(4) **RECITALS**

1. The Investor desires to acquire [REDACTED] Class C Membership Units (the "Class C Units") in GLRC I.
2. As a condition to admitting the Investor as a Class C Member of GLRC I, the Investor is required to transfer the sum of Five Hundred Thousand Dollars (US \$500,000.00), (the "Subscription Price") to GLRC I.
3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of GLRC I.
4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account") shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
5. GLRC I and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

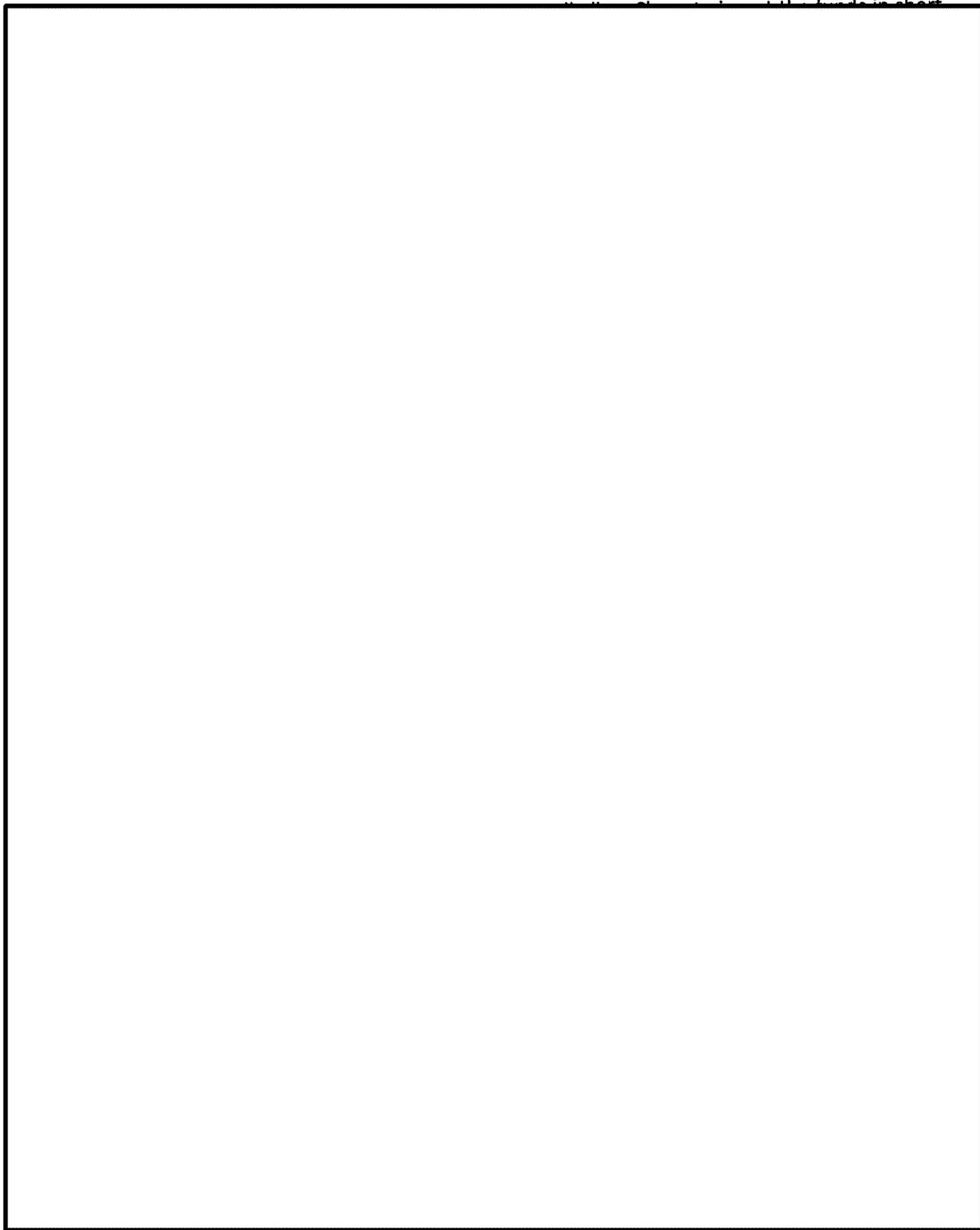
**1. Engagement and Duties of the Escrow Agent.**

1.1 GLRC I and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "GLRC Investment Fund I – Capital Investment" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	GLRC Investment Fund I – Capital Investment
For Benefit of:	Investor Name:
Amount:	\$500,000 USD

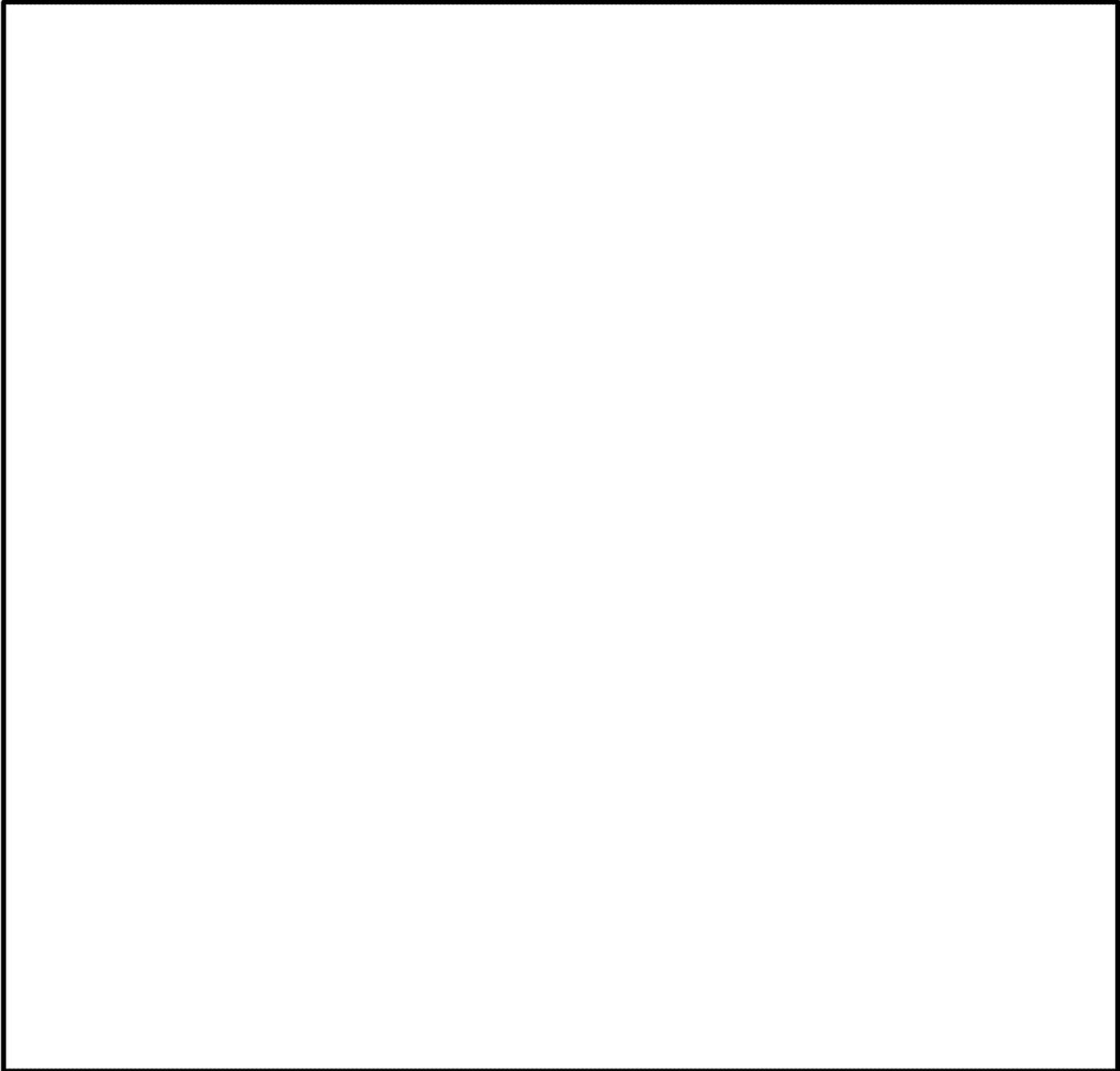
(b)(4) 1.3 The Escrow Agent shall provide LRC I, at its request, monthly statements of the Escrow Account and its activity.



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)





**10. Execution and Counterparts**

10.1 This Capital Escrow Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 GLRC I, the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Capital Escrow Agreement to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**GLRC INVESTMENT FUND I, LLC**

By: \_\_\_\_\_  
David B. Anderson, Manager

**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)

**ESCROW AGREEMENT FOR SERVICE FEES**

**THIS ESCROW AGREEMENT FOR SERVICE FEES** (the "Escrow Agreement for Service Fees") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between GLRC Investment Fund I, LLC ("GLRC I"), and the person executing this Escrow Agreement for Service Fees as the Investor (the "Investor").

**RECITALS**

- (b)(4)
1. The Investor desires to acquire [redacted] Class C Membership Units (the "Class C Units") in GLRC I.
  2. As a condition to admitting the Investor as a Class C Member of GLRC I, the Investor is required to transfer the sum of [redacted] the "Service Fees") to GLRC I.
  3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of GLRC I.
  4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account) shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
  5. GLRC I and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

**1. Engagement and Duties of the Escrow Agent.**

1.1 GLRC I and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

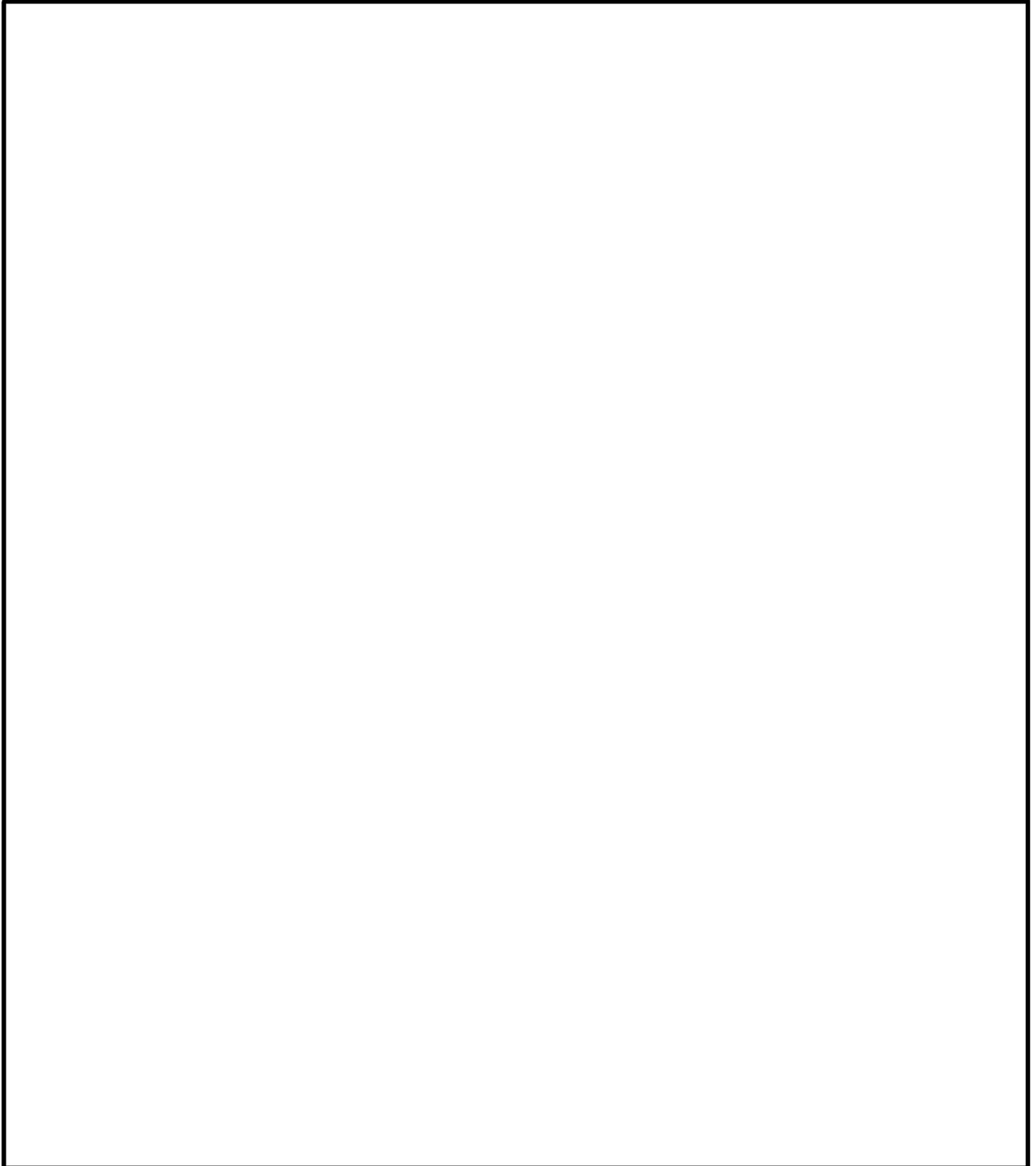
1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "GLRC Investment Fund I – Service Fees" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	GLRC Investment Fund I – Service Fees
For Benefit of:	Investor Name:
Amount:	[redacted] USD

(b)(4)

✓ 1.3 The Escrow Agent shall provide LRC 1, at its request, monthly statements of the Escrow Account and its activity.

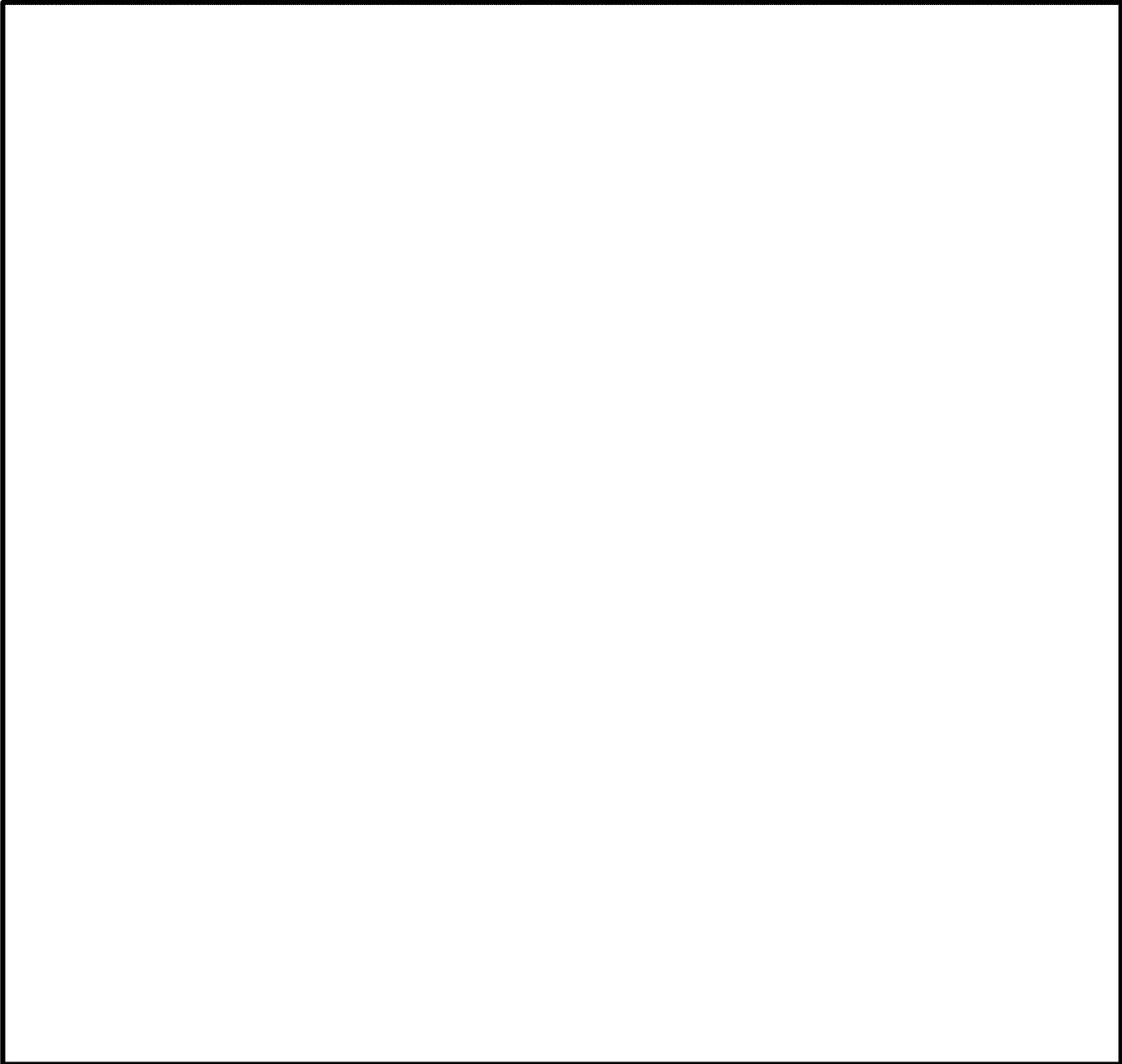
(b)(4) 1.4 While funds are held in Escrow, the Escrow Agent will allow Chase to invest the funds in short-term certificates of deposit as to be determined by Escrow Agent.



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)





**10. Execution and Counterparts**

10.1 This Escrow Agreement for Service Fees may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 GLRC I, the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Escrow Agreement for Service Fees to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**GLRC INVESTMENT FUND I, LLC**

By: \_\_\_\_\_  
David B. Anderson, Manager

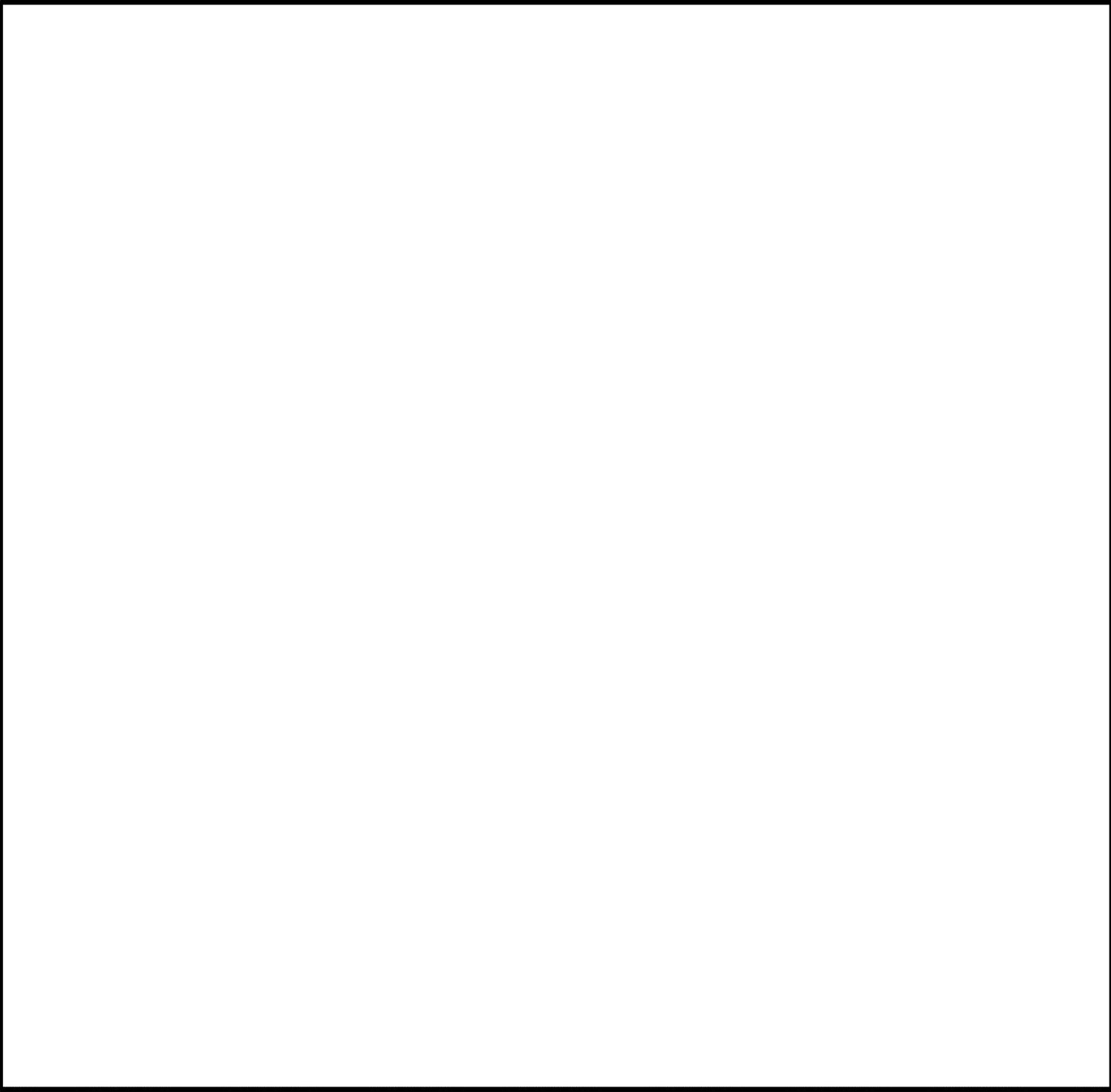
**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)

(b)(4)

Bennett Day School Financial Summary  
FYE June 30





**Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)**

Classification  _____	Action Block	Fee Receipt
Priority Date  _____		To be completed by Attorney or Representative, if any <input type="checkbox"/> G-28 is attached Attorney's State License No. _____
Remarks:		

**START HERE - Type or print in black ink.**

**Part 1. Information About You**

Family Name  Given Name  Middle Name

In care of Street Number and Name:

Address:  Apt. Number

City  State or Province  Country  Zip/Postal Code

Date of Birth (mm/dd/yyyy)  Country of Birth  Social Security # (if any)  A # (if any)

If you are in the United States, provide the following information: Date of Arrival (mm/dd/yyyy)  I-94 #

Current Nonimmigrant Status  Date Current Status Expires (mm/dd/yyyy)  Daytime Phone # with Area Code

**Part 2. Application Type (Check one)**

- a.  This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.
- b.  This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.
- c.  This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

**Part 3. Information About Your Investment**

Name of commercial enterprise in which funds are invested (Required Field - Do Not Leave Blank)

Street Address

Phone # with Area Code  Business organized as (corporation, partnership, etc.)

Kind of business (e.g. furniture manufacturer)  Date established (mm/dd/yyyy)  IRS Tax #

RECEIVED: \_\_\_\_\_ RESUBMITTED: \_\_\_\_\_ RELOCATED: SENT \_\_\_\_\_ REC'D \_\_\_\_\_



**Part 3. Information About Your Investment (Continued)**

Date of your initial investment (mm/dd/yyyy)	<input type="text"/>	Amount of your initial investment	\$ <input type="text" value="000,000,500,000.00"/>
Your total capital investment in the enterprise to date	\$ <input type="text" value="000,000,500,000.00"/>	Percentage of the enterprise you own	<input type="text"/> (b)(4)

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person, and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc.

If you indicated in **Part 2** that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State:

County	<input type="text" value="COOK"/>	State	<input type="text" value="ILLINOIS"/>
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**Part 4. Additional Information About the Enterprise**

**Type of Enterprise (check one):**

- New commercial enterprise resulting from the creation of a new business.
- New commercial enterprise resulting from the purchase of an existing business.
- New commercial enterprise resulting from a capital investment in an existing business.

**Composition of the Petitioner's Investment:**

Total amount in U.S. bank account .....	\$	<input type="text"/>
Total value of all assets purchased for use in the enterprise.....	\$	<input type="text"/>
Total value of all property transferred from abroad to the new enterprise.....	\$	<input type="text"/>
Total of all debt financing.....	\$	<input type="text"/>
Total stock purchases.....	\$	<input type="text"/>
Other (explain on separate paper).....	\$	<input type="text"/>
<b>Total</b>	\$	<input type="text"/>

**Income:**

When you made the investment.....	Gross	\$	<input type="text"/>	Net	\$	<input type="text"/>
Now.....	Gross	\$	<input type="text"/>	Net	\$	<input type="text"/>

**Net worth:**

When you made investment.....	Gross	\$	<input type="text"/>	Now	\$	<input type="text"/>
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**Part 5. Employment Creation Information**

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? [ ] Now [ ] Difference [ ]

How many of these new jobs were created by your investment? [ ] How many additional new jobs will be created by your additional investment? [ ]

What is your position, office, or title with the new commercial enterprise?

MEMBER

Briefly describe your duties, activities, and responsibilities.

AS PER GLRC INVESTMENT FUND II, LLC'S OPERATING AGREEMENT - SEE APPENDIX A

What is your salary? \$ [ ] What is the cost of your benefits? \$ [ ]

**Part 6. Processing Information**

Check One:

- The person named in Part 1 is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.
 If the petition is approved and the person named in Part 1 wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality: [ ]

Country of current residence or, if now in the United States, last permanent residence abroad: [ ]

If you provided a United States address in Part 1, print the person's foreign address:

[ ]

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

[ ]

Are you in deportation or removal proceedings? [ ] Yes (Explain on separate paper) [ ] No

Have you ever worked in the United States without permission? [ ] Yes (Explain on separate paper) [ ] No

**Part 7. Signature** Read the information on penalties in the instructions before completing this section.

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature [ ] Date [ ]

NOTE: If you do not completely fill out this form or fail to submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.

**Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)**

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature [ ] Print Your Name [ ] Date [ ]

Firm Name [ ] Daytime phone # with area code [ ]

Address [ ]





Pat Quinn  
Governor

Jay Rowell  
Director

April 15, 2013

Joanna Herbert



Dear Ms. Herbert:

Please be advised that the Illinois Department of Employment Security (IDES) is the designated state agency with the authority to certify that geographic areas within the State of Illinois qualify as areas of high unemployment under the Alien Entrepreneur Visa Program.

This is to confirm that the proposed project at 1355B East Bowes Road, Elgin, IL 60123 is located in an area of high unemployment as defined in Section 8 CFR 204.6(i) of the Code of Federal Regulations. The proposed project area falls entirely within Census Tract number 8518.02, located in Kane County. Federal regulations do not provide guidelines on how physical boundaries are to be evaluated, so IDES has made no judgment based on the physical boundaries of the area. IDES solely evaluates whether the geographic area meets the standards for a high unemployment area. Further, an area's final designation as a Targeted Employment Area will be made by U.S. Citizenship and Immigration Services.

The determination of eligibility is based on an analysis of the labor force data for the 12-month period ending December 2012 for the above mentioned Census Tract and for the U.S. as a whole. The Census Tract data were developed by the Economic Information and Analysis Division of IDES using the census-share method, as described in the U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program Manual. The average national unemployment rate for the year 2012 was 8.1 percent. We have determined that the 2012 unemployment rate for the Census Tract was 13.1 percent or 162 percent of the 2012 national unemployment rate.

**The State of Illinois has not investigated the proposed project, nor has it made an assessment about the quality of the project, or the potential for earnings of the project at the above address. The State of Illinois verifies that the area designated is an area of high unemployment and is contiguous but does not evaluate the geographic boundaries. Projects in a TEA are not affiliated with, or sponsored by, the State of Illinois or the Illinois Department of Employment Security.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Reinhold', is written over the word 'Sincerely,'.

Richard Reinhold  
Manager, Local Area Unemployment Statistics  
Economic Information and Analysis Division

Source: Illinois Department of Employment Security, Economic Information and Analysis

\* Latest 12 month period includes January 2012 through December 2012 - data are subject to change

Split Area refers to Census Tracts that overlap two or more communities

County	Place Name	Census Tract Number	Time Period	Labor Force	Employed	Unemployed	Unemployment Rate
United States (in thousands)	-	-	Latest 12 mo *	154,975	142,469	12,506	8.1
Kane	Split Area	8518.02	Latest 12 mo *	3,927	3,413	514	13.1

# Business Plan – GLRC INVESTMENT FUND II, LLC



Dynamic **BIM** Technologies  
BIM - When and Where  
you need it

*This document contains confidential and proprietary information belonging exclusively to  
GLRC Investment Fund II, LLC.*

*This is a business plan. It does not imply an offering of securities.*

## Table of Contents

Table of Contents.....	2
Section 1 • GLRC Investment Fund II, LLC.....	3
Section 1.1 Investment Summary.....	3
Section 1.2 Qualification Points – EB-5 Investment Designation .....	4
Section 1.3 Investment Program Summary .....	4
Section 1.4 Active vs. Passive Investment .....	5
Section 1.5 Privacy Policy.....	5
Section 1.6 Exit Strategy Options.....	5
Section 1.7 Application Process.....	5
Section 1.8 Investor Tax Considerations.....	7
Section 2 • Investor Administration and Documentation .....	7
Section 2.1 Investor Qualifications and Credits.....	7
Section 2.2 Investor Information Requirements .....	7
Section 2.3 Sources of Funds.....	8
Section 2.4 Summary, Investor Remittance Requirements.....	10
Section 3 • Legal and Risk Planning .....	11
Section 3.1 LLC Creation .....	11
Section 3.2 Due Diligence .....	11
Section 3.3 Document Review and Verification Policy.....	13
Section 3.4 Risks.....	13
Section 4 • Executive Summary – Dynamic BIM Technologies .....	15
Section 4.1 Project Company.....	15
Section 4.2 Specific Industry Focus.....	15
Section 4.3 Geographic Location .....	15
Section 4.4 Project Company Contacts.....	16
Section 4.5 Financing .....	16
Section 4.6 Company Overview .....	16
Section 4.7 Business Model .....	17
Section 4.8 Operations Plan.....	26
Section 4.9 Market and Customer Base .....	28
Section 4.10 Communication and Marketing.....	31
Section 4.11 Demand and Competition.....	33
Section 4.12 Source and Use of Funds.....	38
Section 4.13 Financial Highlights .....	39
Section 4.14 Job Creation Information .....	41
Section 4.15 Project Timeline .....	43
Appendices.....	44
Appendix A – GLRC II Offering Documents.....	44
Appendix B – GLRC II Financials .....	45
Appendix C – Dynamic BIM Illustrations.....	46
Appendix D – Project Company Financials .....	48

**Section 1 • GLRC Investment Fund II, LLC**

*Section 1.1 Investment Summary*

GLRC Investment Fund II, LLC. ("GLRC II") was organized with the Secretary of State of Illinois pursuant to the Illinois Limited Liability Company Act on July 31, 2013.

GLRC II intends to raise equity funding through the offering of Membership Units (the "Units") to foreign investors who are seeking an EB-5 visa under the Immigrant Investor Program (the "Program"). The Units will be offered and sold outside of the United States to individuals who are "non-U.S. Persons" and who meet the investor suitability standards described in the offering documents which can be found in Exhibit A.

(b)(4) GLRC II is governed by an operating agreement (the "Operating Agreement"), a copy of which can be found in Exhibit A. GLRC II will offer [redacted] Class C Membership Units at [redacted] GLRC II's offering documents in Exhibit A are incorporated herein by reference.

The Classes and Membership Units of the GLRC II are as set forth in the table below.

(b)(4)

Class	Units	Interest per Unit	Total Class Interest
A	[redacted]		
B			
C			

Class C Membership Units will be purchased through a Subscription Agreement and at the time the Subscription Agreement is signed and funds are received, the funds will be placed into an escrow account to be released in accordance with the Capital Escrow Agreement.

GLRC II will pool the Class C Member's Capital Investments into a loan fund (the "Loan Fund") and will make the full amount of the Loan Fund available to the Project Company to create jobs (the "Loan"). The Loan will be governed by a loan agreement (the "Loan Agreement") and the terms of such Loan Agreement will be determined by GLRC II's members based on the market conditions and rates at the time the Loan is made.

The Project Company is located within a Targeted Employment Area ("TEA"); therefore each of the Investors would be purchasing a minimum of [redacted] of the [redacted] Membership Units for a total investment of \$500,000 each. Each Class C Member would then own [redacted] of GLRC II.

GLRC II's financial projections can be found in Exhibit B.

(b)(4)

### *Section 1.2 Qualification Points – EB-5 Investment Designation*

This business plan will discuss in detail all aspects of the proposed investment and coverage of the basic and detailed requirements for designation as a qualified investment under the Program including:

1. The creation of a minimum of 10 jobs per Investor
2. The creation of a new enterprise
3. A reasonable level of risk to the Investors
4. Participation of Investors in policy-making decisions for the enterprise
5. Providing an exit strategy for Investors
6. Details of distributions for Investors
7. Administrative compliance in terms of full reporting of GLRC II's activities and results

### *Section 1.3 Investment Program Summary*

Investment capital for the Loan Fund will be raised through the Program, offered exclusively to Investors seeking to gain the benefits of the Program, which include the following:

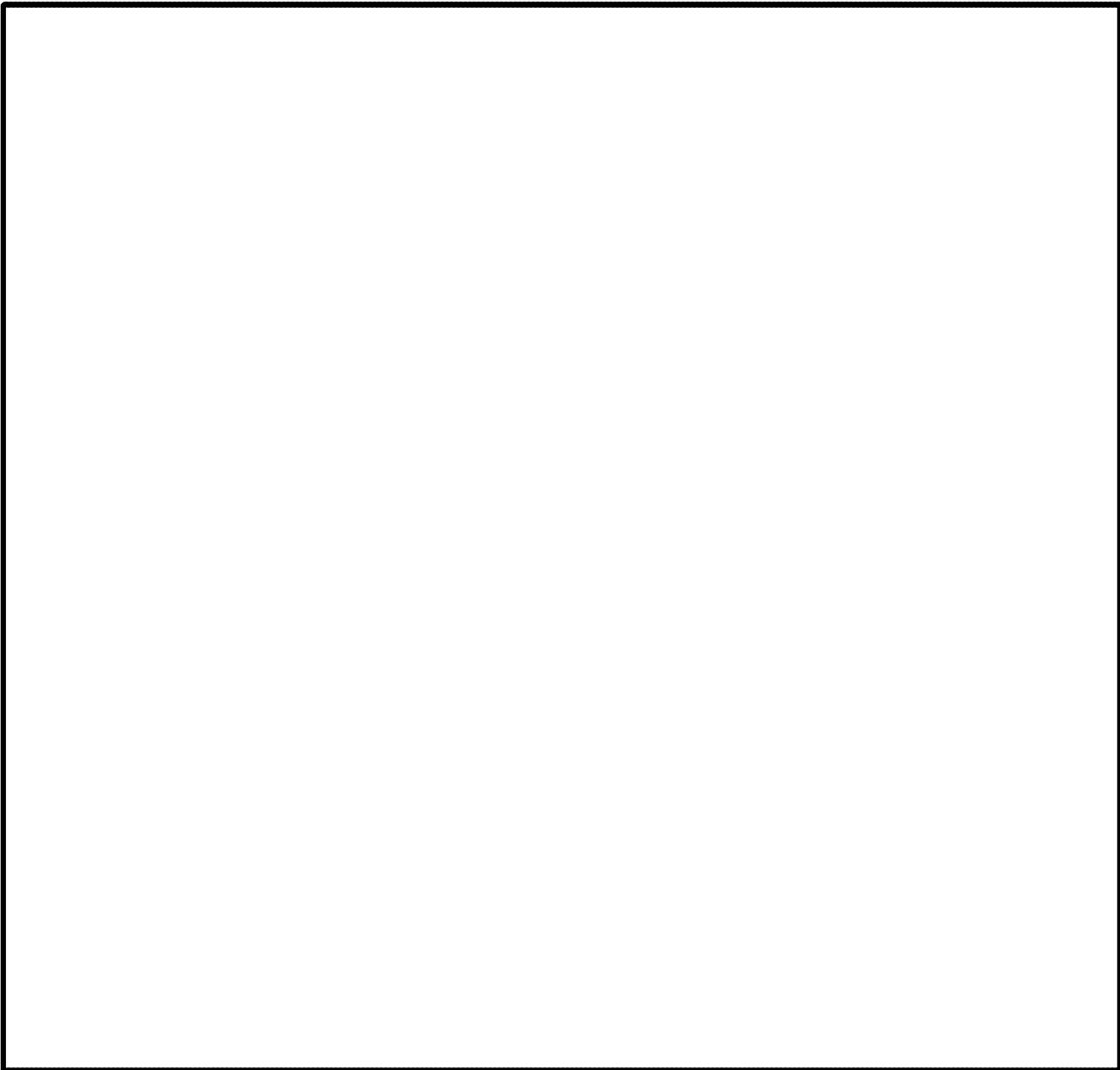
- Living and working in the U.S.
- No employment authorization requirement to accept employment
- Ability to develop and run a business
- Ability to sponsor green cards for family
- Ability to travel outside of the U.S. and return without a visa
- Education benefits of permanent residents, such as admission to state universities at resident costs
- Ability to become a U.S. citizen once the Investor has been a permanent resident for more than 5 years

The Program has no requirements regarding age, business training, language skills and experience. Permanent residents need not be continuously and physically present in the U.S., and they can maintain business and professional relations in their country of origin.

The Program also allows Investors a great deal of freedom because it does not require these investors to manage their investment on a daily basis, but rather, to “actively engage” in a business enterprise. This means that the Investor can be a member of GLRC II, while they are able to pursue other professional or personal ventures at the same time.

Moreover, should an Investor and his or her family elect to become U.S. citizens, the time spent as conditional permanent residents is credited towards the five year lawful permanent residency requirement for U.S. citizenship. As a permanent resident, an Investor and his or her family are free to return to their homeland for visits or business purposes, as long as a residence is maintained in the United States.

(b)(4) In exchange for their investment, each Investor will be offered the opportunity to receive Conditional Status, which can later be converted to permanent residency.



*Section 1.7 Application Process*

To become an Investor GLRC II, a Potential Investor will take the following steps:

- | <b>STEP</b> | <b>IMMIGRATION PROCESS</b>  |
|-------------|---|
| 1           | Investor researches website, is referred by an agent or receives marketing materials. Investor registers via website, email, fax or in writing. |
| 2           | Investor receives description of project, wire transfer instructions, Subscription Agreement, Capital Escrow Agreement, Escrow Agreement for    |

Service Fees and Subscriber Suitability Questionnaire.

- 3 (b)(4) Investor signs and returns Escrow Agreement for Service Fees and wires  
[REDACTED] Service Fee to GLRC II's Escrow Account.
- 4 Investor completes, signs and returns Subscriber Suitability Questionnaire, Subscription Agreement and Capital Escrow Agreement. Investor receives Offering Memorandum and Operating Agreement for review. Investor signs and returns Operating Agreement.
- 5 Upon acceptance, Investor remits capital investment (minimum of \$500,000 USD) to GLRC II's Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.
- 6 Investor submits all documents required for filing I-526 with USCIS to their Legal Representative.
- 7 Investor's Legal Representative prepares I-526 filing for USCIS.
- 8 I-526 Petition and Notification.
- 9 Investor elects adjustment of status or consular processing.
- 10 Upon approval of the I-526 Petition, (a) if the Investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the Investor must wait for notification from the National Visa Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the Investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.
- 11 Once issued conditional permanent resident status (I-526 approval) the clock starts ticking! Job creation (10 full-time positions per Investor) must take place during the two year period following approval of the I-526. The Investor may then file an I-829 Petition to request that conditional status be removed.
- 12 Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.

The application process detailed above is for general information and guidance only. Actual

procedures will vary according to individual circumstances.

### *Section 1.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the Investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the Investor plans to continue working or investing in his or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

## Section 2 • Investor Administration and Documentation

### *Section 2.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify Potential Investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

### *Section 2.2 Investor Information Requirements*

- Master Documents
- Passport
- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature
- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates

- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

### *Section 2.3 Sources of Funds*

Sources of Investor funds will be verified, with a comprehensive review of all documentation. GLRC II requires that each Investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the investment.

Types of investment sources that are to be thoroughly detailed by the Investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the Investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment
  - Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the Investor
  - Approximate annual cost of fringe benefits
  - Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
  - Earnings distribution to the Investor that will be used to fund the investment
- Net Proceeds from the Sale of a Business. Again the information and documentation required is substantial, including:
  - Gross proceeds, as verified by the sales contract
  - Expenses associated with the sale
  - Net sale proceeds, including any deferred payments and a schedule of such payments
  - Investor's net proceeds from the sale
  - Total cash collected by the Investor from the sale including information on funds

- already expended or deposited elsewhere
- Net amount to be used for the investment

In support of this information, the Investor will be required to submit:

- Incorporation or other organizational documents of the business
  - Stock certificates (or other evidence of ownership)
  - Closing statement for the sale of the business
  - Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- **Net Proceeds from the Sale of Real Estate.** For this source, the Investor must supply:
    - Street address and full description of property
    - Date acquired and initial investment plus any additional investments
    - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
    - Date property sold, net sales price, and net price after selling expenses
    - Name and address of purchaser, as well as type of entity
    - Amount used to pay mortgages/debt payments and other owners
    - Net amounts being used to fund the investment
  - **Net Proceeds from the Sale of Investments or Other Assets.** Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
  - **Employment earnings.** The Investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net earnings for the past five years.
  - **Income or other Tax Refunds.** Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.
  - **Loans.** The Investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category, the Investor must provide additional documentation, including:
    - Copy of bank statement showing the deposit of the loan proceeds
    - Copy of promissory note and security agreement(s), as applicable
    - Copy of loan closing statement, if applicable
  - **Gifts.** For gifts, in addition to providing the giver's information and type of entity, the Investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the Investor must provide:

- Copy of bank statement showing the deposit of the proceeds from the gift
- Copy of any relevant correspondence regarding the gift
- Inheritance. For proceeds from inheritances, the Investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the investment. Again, the primary source of the decedent’s funds must be identified, in order to establish the legitimacy of the original source of funds. The Investor must provide:
  - Copy of bank statement showing the deposit of inherited funds
  - Copy of legal or other relevant correspondence regarding the inheritance
- Retirement Funds. If using retirement funds for the investment, the Investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the investment. Documentation required includes:
  - Copy of statement of account showing the balance in the retirement account, if applicable
  - Copy of other relevant correspondence regarding the retirement account
- Support from a Parent/Relative/Guardian or Other Person. In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the Investor must provide information regarding any repayment obligation related to these support payments. For this category, the Investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor’s expense, to GLRC II in both the original form of the document and with a certified translated copy in English. While it is the ultimate responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, GLRC II will conduct an internal review to ensure that the Investor is in fact qualified for the Program.

*Section 2.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount	(b)(4)
Service Fees (in accordance with the terms as set forth in the Subscription Agreement and the Escrow Agreement for Service Fees)	<input style="width: 80px; height: 25px;" type="text"/>	
Capital Investment (in accordance with the terms set forth in the	\$500,000	

Subscription Agreement and the Capital Escrow Agreement)

### **Section 3 • Legal and Risk Planning**

#### *Section 3.1 LLC Creation*

GLRC Investment Fund II, LLC (the “LLC”) was formed as a Limited Liability Company in the State of Illinois on July 31, 2013. A limited liability company is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

#### *Section 3.2 Due Diligence*

Under USCIS regulations the Investor must demonstrate that their assets were gained in a lawful manner. The Investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

GLRC Investment Fund II, LLC requires an Investor to reveal where and how they received their assets that are used for qualifying for the EB-5 program. This may be accomplished through certificates by the Investor’s licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, GLRC II will require proper documentation from the Investor. The Investor is required, at the Investor’s expense, to furnish the documentation to GLRC II in both the original form of the document and with a certified translated copy in English. Upon receipt, GLRC II will perform a 4-step review process.

**Financial Documents to Establish Source of Funds:** The Investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

**Transfer of Funds:** The Investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

**Financial Statements:** Financial information that evidences a net worth of at least \$1,000,000.

Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the Investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the Investor and each qualifying household member of the Investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the Investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the Investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least 6 months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

*Section 3.3 Document Review and Verification Policy*

Financial source of funds document will be fully reviewed at several separate levels:

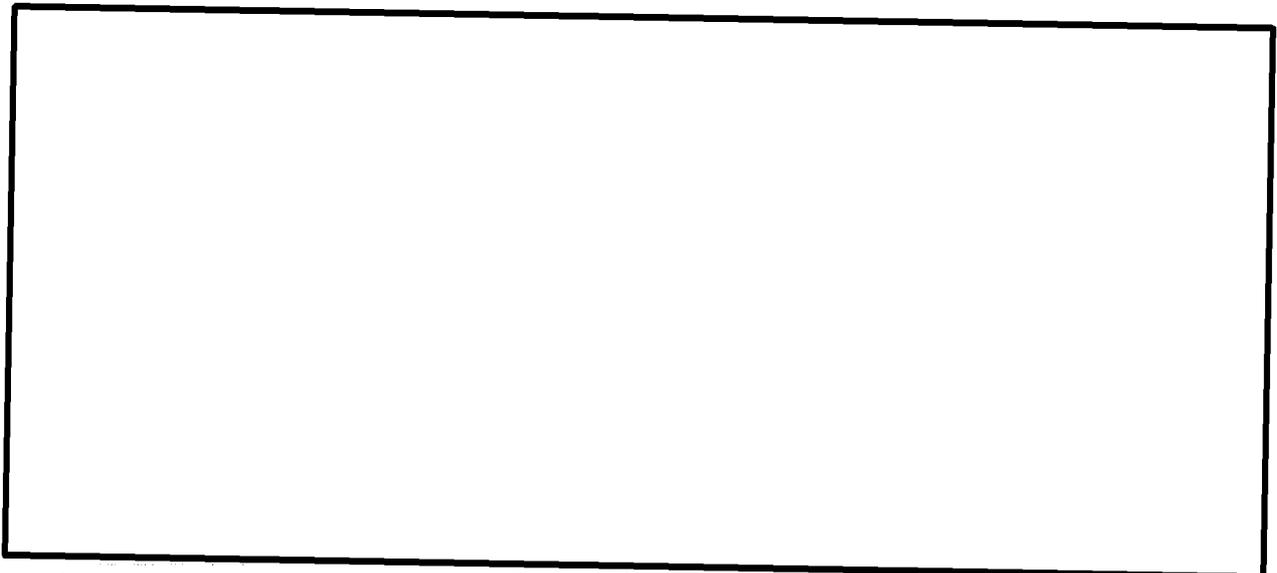
- The Escrow/Funds Transfer Agent
- GLRC II's Bank
- GLRC II's CPA firm
- The Investor's U.S. Immigration Counsel
- GLRC II's Members

The initial review process will focus on the type of payment and the information provided by the Potential Investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the Investor is incomplete or suspicious in any way, the Investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the Potential Investor, the Potential Investor's subscription will be rejected and investment funds returned to the Investor in accordance with the Capital Escrow Agreement and the Escrow Agreement for Service Fees.

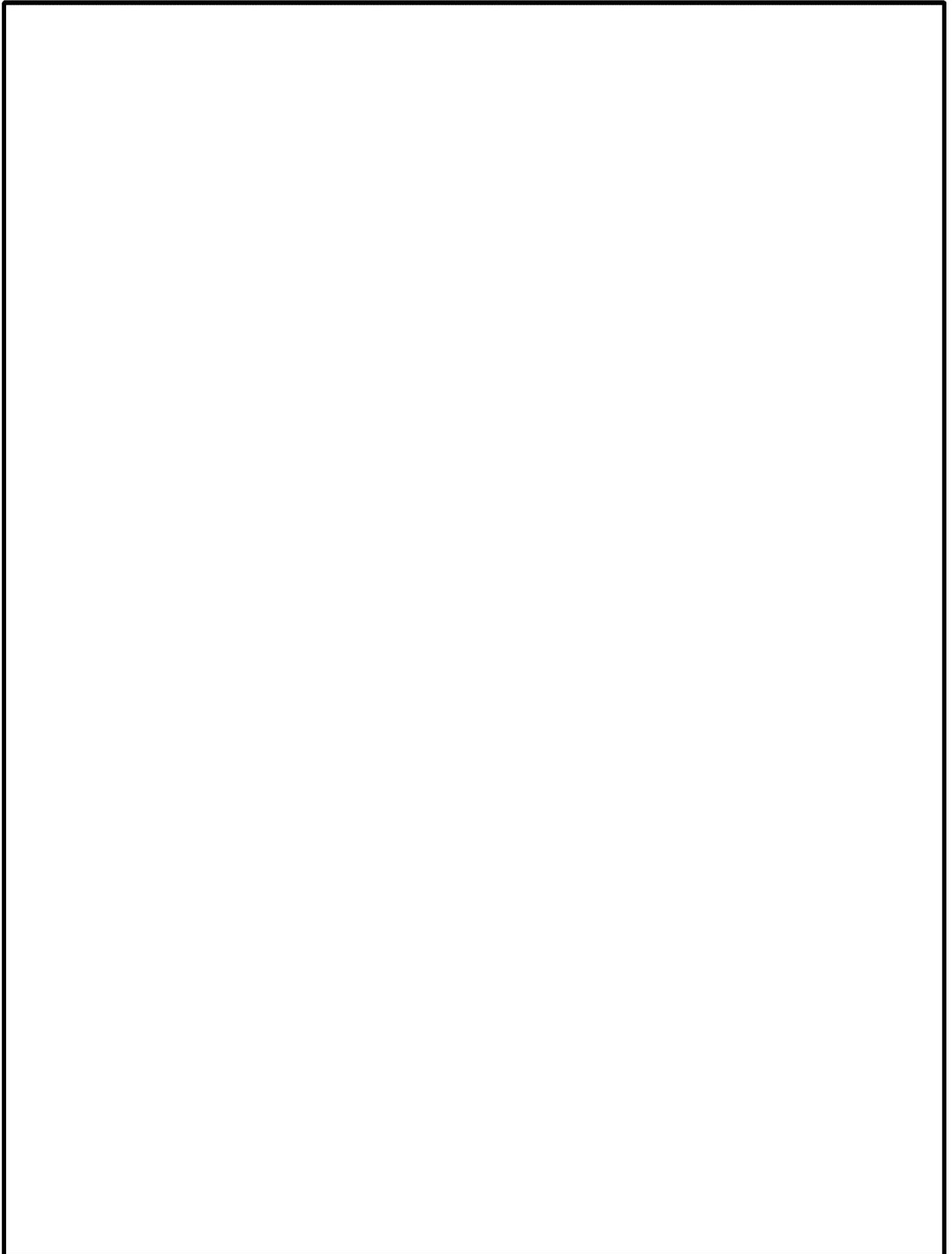
*Section 3.4 Risks*

GLRC II and the Project Company are subject to all the risks normally associated with a new enterprise. The investment is suitable only for those persons who have a continuing high amount of annual income and substantial net worth, who can afford to bear such risks and who have no need for liquidity from such investment. Each prospective Investor should consider carefully the risk factors attendant to the purchase of Units, including, but not limited to, those discussed below, and should consult with his own legal, tax and financial advisors with respect thereto. The acquisition and ownership of the Units involve a high degree of risk. Prospective purchasers of the Units should be aware of the risk factors related to the offering and should consider, among others, those factors set forth below:

(b)(4)



(b)(4)



**Immigration Risks:** The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of GLRC II. These include the Investor's past history and quotas established by the USCIS limiting the number of visas granted to Investors in a single year. Although GLRC II has been structured so that each Member may qualify for permanent residency under the employment creation immigrant Investor provisions of the U.S. immigration laws, no assurance can be given that each Investor will obtain approval of his particular I-526 Petition.

Each prospective Investor should consult competent immigration counsel to review the likelihood that the Investor's I-526 Petition will be granted.

#### **Section 4 • Executive Summary – Dynamic BIM Technologies**

##### *Section 4.1 Project Company*

Dynamic BIM Technologies (also referred to herein as “DBT”) is a limited liability company organized in the State of Illinois.

DYNAMIC BIM TECHNOLOGIES, LLC  
Agent: Ronald M. Herbert, Jr.  
273 Garden Drive  
Elgin, IL 60124  
[www.dynamicbim.com](http://www.dynamicbim.com)

##### *Section 4.2 Specific Industry Focus*

DBT's primary industry focus is:

- ❖ NAICS 5415 – Computer Systems Design and Related Services

##### *Section 4.3 Geographic Location*

DBT's targeted location is at:

1355 East Bowes Road  
Elgin, IL 60123

This location has been certified as a Targeted Employment Area (“TEA”) by the State of Illinois. However, due to the uncertainty over timing of the Loan to DBT, DBT's management will ensure that its final location will qualify as a TEA at the time of the investment.

To facilitate this, DBT has identified multiple locations in Kane County and the greater Chicagoland area that are suitable for its operations. Each location identified qualifies as a TEA as defined by the State of Illinois and USCIS.

#### Section 4.4 Project Company Contacts

Ronald M. Herbert, Jr.  
President  
273 Garden Drive  
Elgin, IL 60124  
(630) 639-1061  
rherbert@dynamicbim.com

#### Section 4.5 Financing

The project is anticipated to cost approximately [REDACTED] The financing breakdown is as follows:

Founder Investment [REDACTED]  
EB-5 Investment [REDACTED] (b)(4)

#### Section 4.6 Company Overview

##### Mission, Goals and Objectives

DBT's mission is to be the leading provider of comprehensive, high-quality BIM and CAD-related services in the Midwestern United States.

DBT's goals and objectives are to:

- provide our customers with reliable, dependable, high-quality BIM and CAD services ;
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- give back to our local community in the form of paid volunteers, scholarships, and participation in local charities.

##### Management

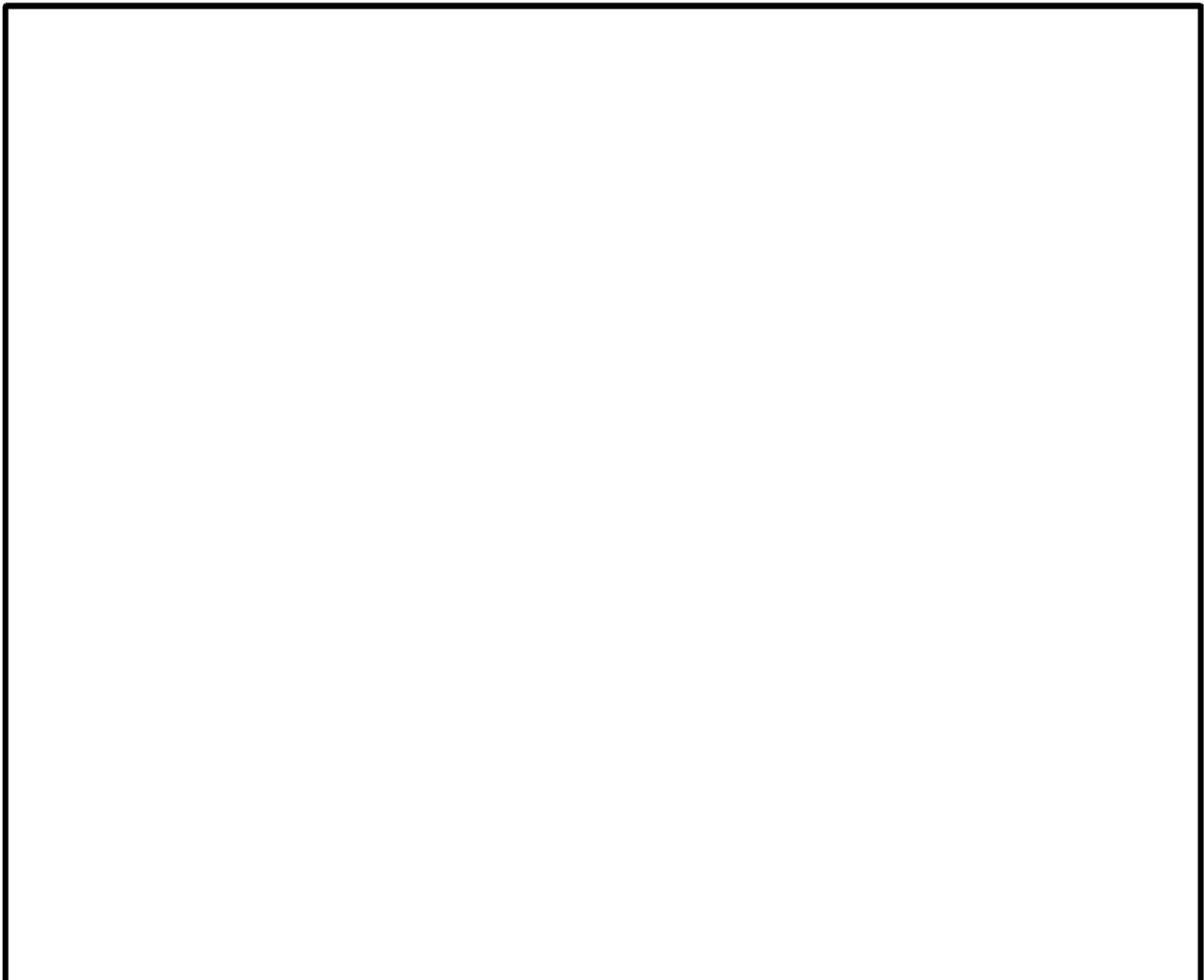
*Ronald M. Herbert, Jr. – Managing Member.* Mr. Herbert has over thirty years of hands on CAD industry experience – first as a Drafter/Detailer, then as a Product Designer and Project Manager. He has worked on many direct service offerings for construction, engineering and

management of small to large scale job sites throughout the United States. He has over 6 years of BIM experience and has been an integral part in successfully completing over 28 BIM projects to date. In addition to CAD 2-D/3-D Design, he has an extensive background in operations, manufacturing, quality control and engineering. Mr. Herbert is a Certified Quality Manager, a certified ISO 9000 lead auditor and a Six Sigma Green Belt.

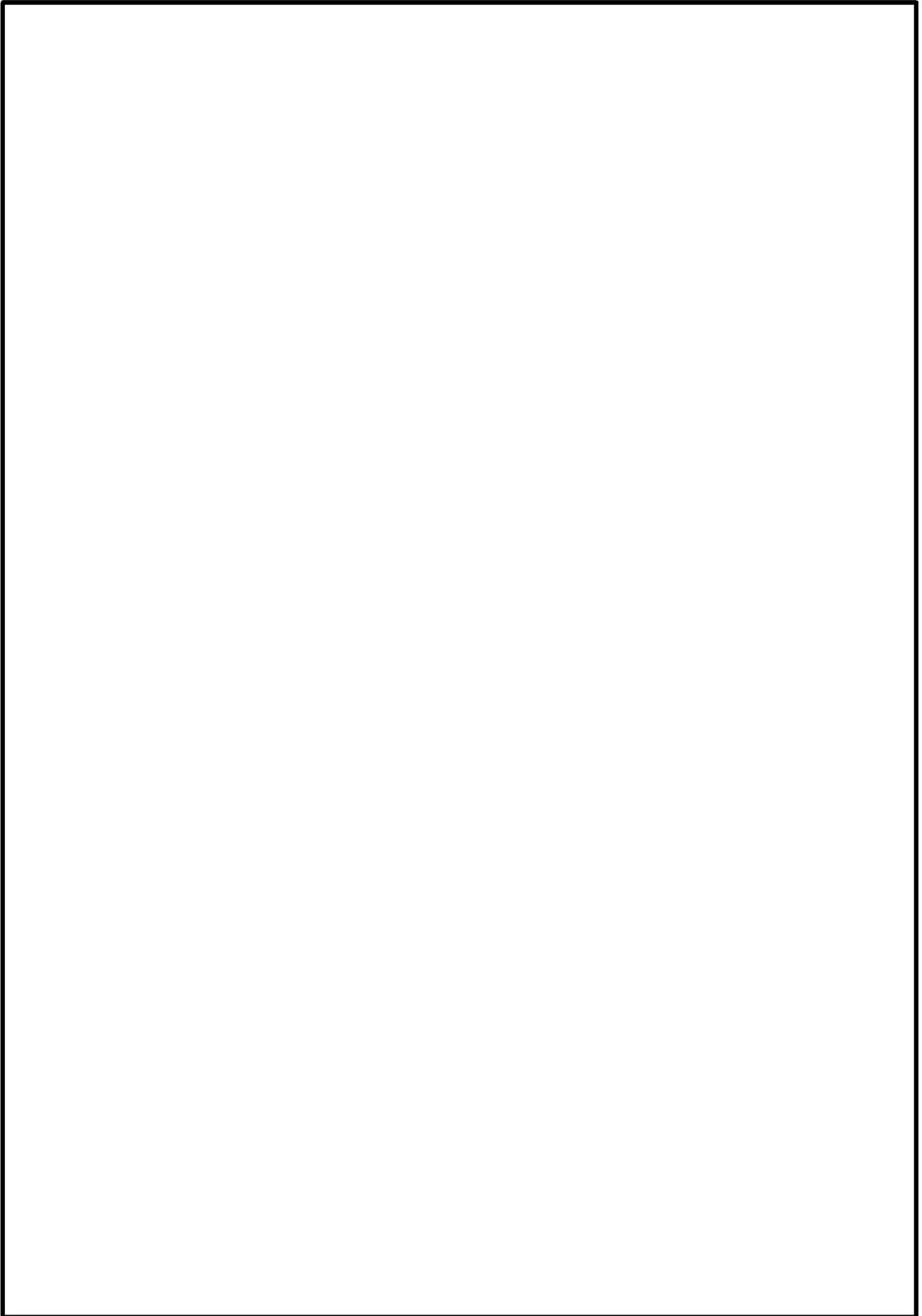
Mr. Herbert began a small, contract CAD company seven years ago and it evolved into a full participant in the CAD/BIM services industry. Over the past three years there has been an explosion of projects that demand the use of BIM for building site construction coordination and many existing customers have requested or expressed interest in additional services of the type proposed herein. He has decided to close his current enterprise and created Dynamic BIM Technologies to service current customers and strategically position itself to be an innovation leader in the current BIM-driven market.

#### *Section 4.7 Business Model*

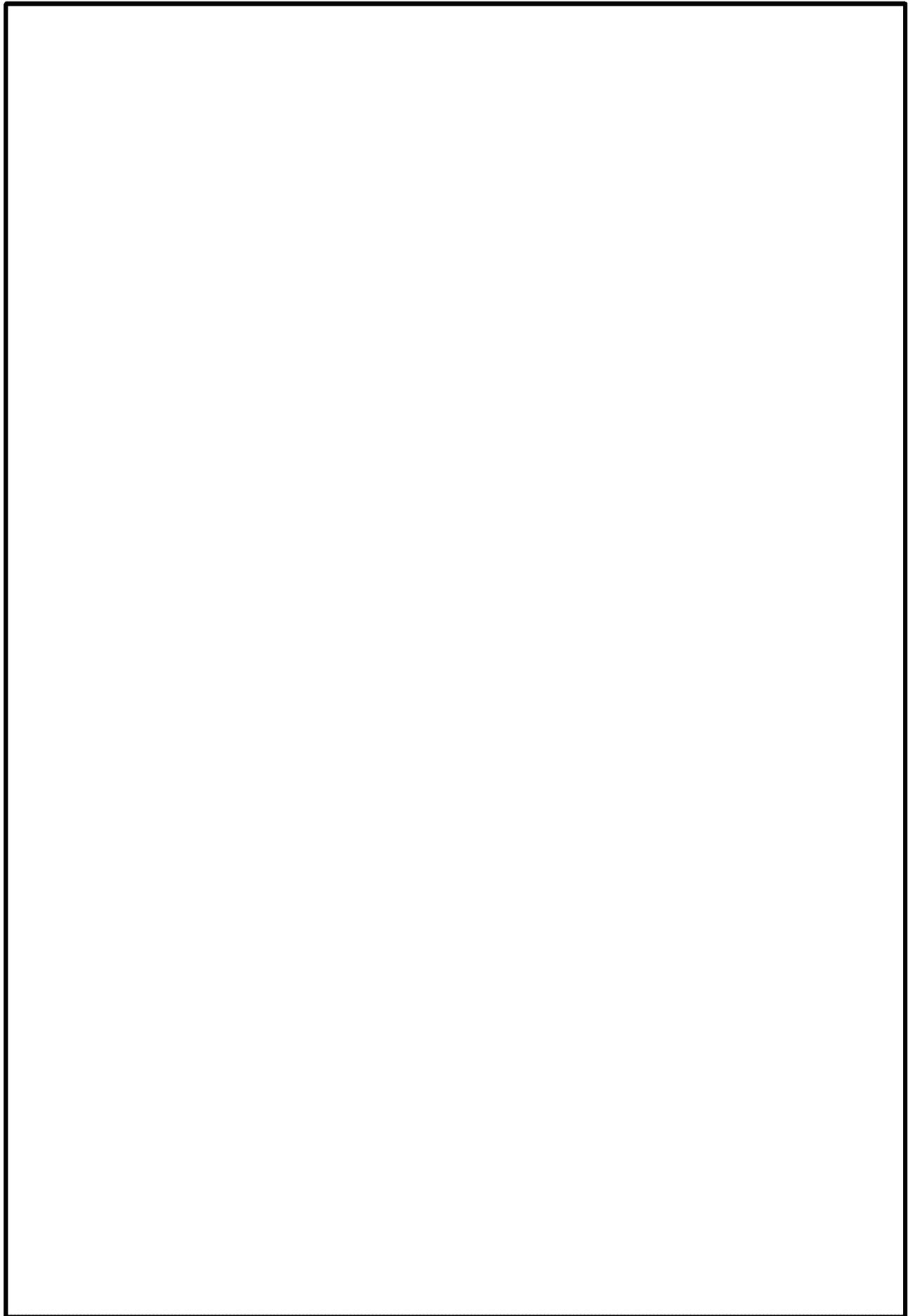
(b)(4) To understand DBT's model, one must first understand BIM and CAD – the cornerstones of DBT's business – and the role they play in construction.



(b)(4)



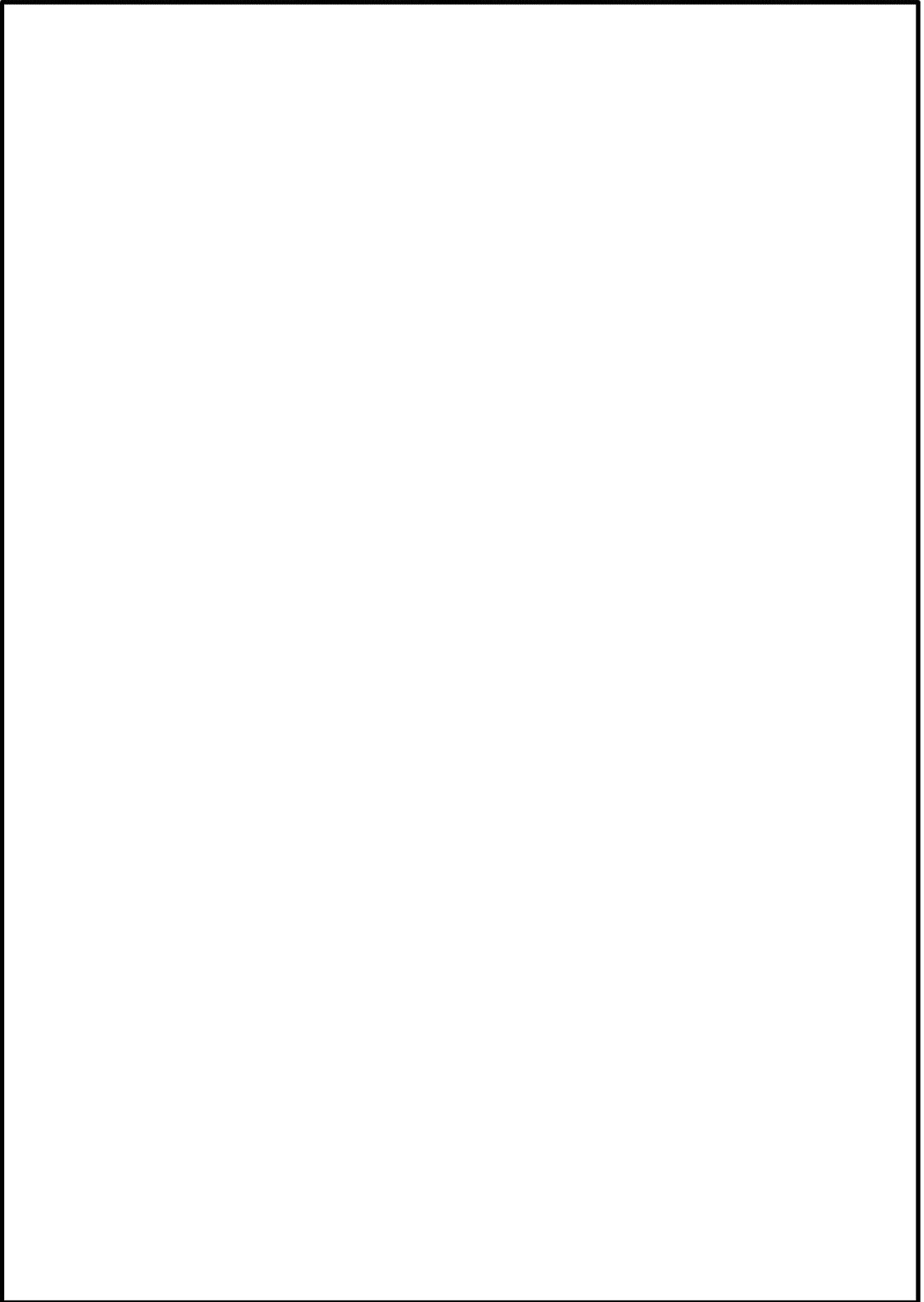
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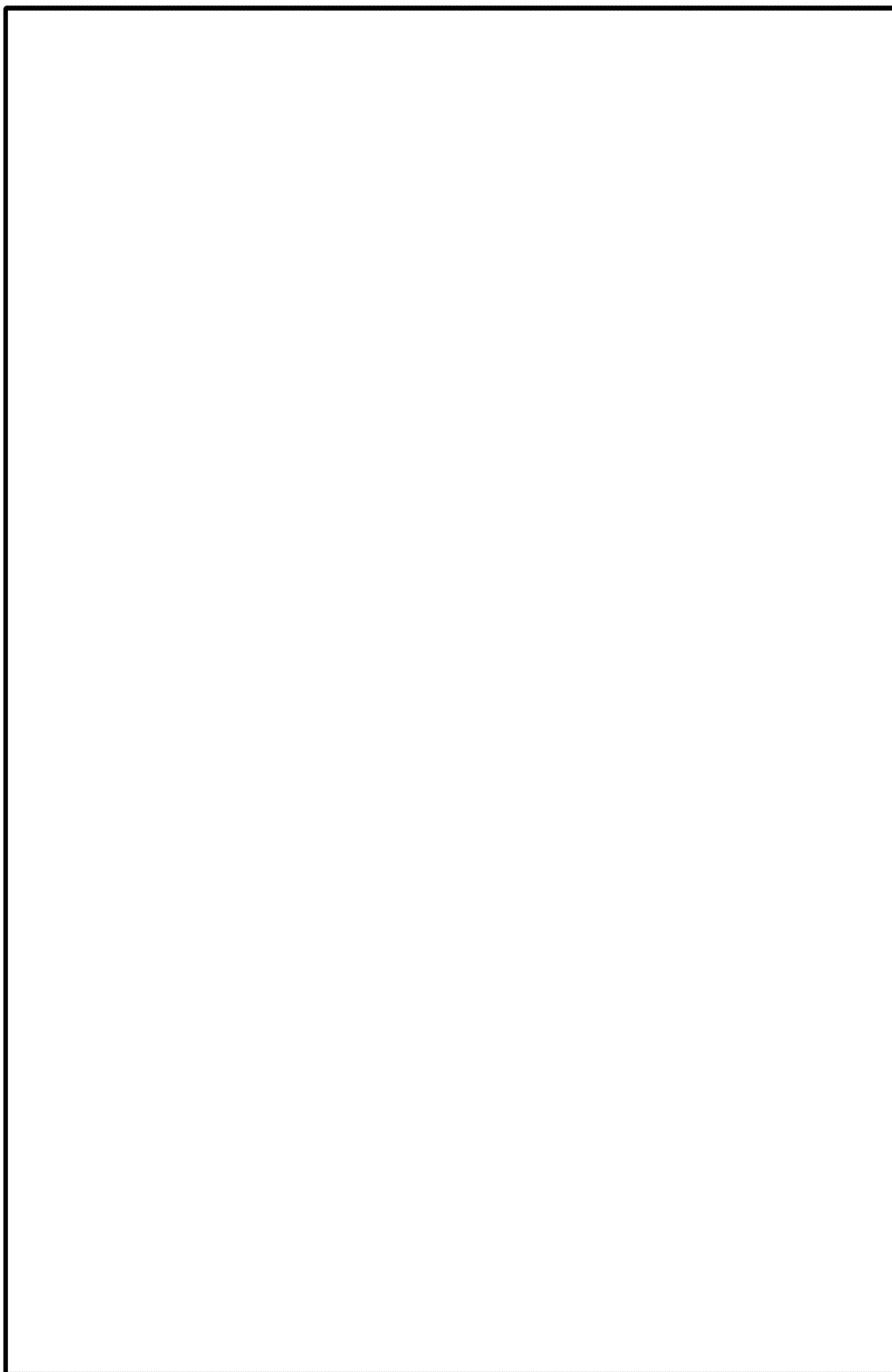
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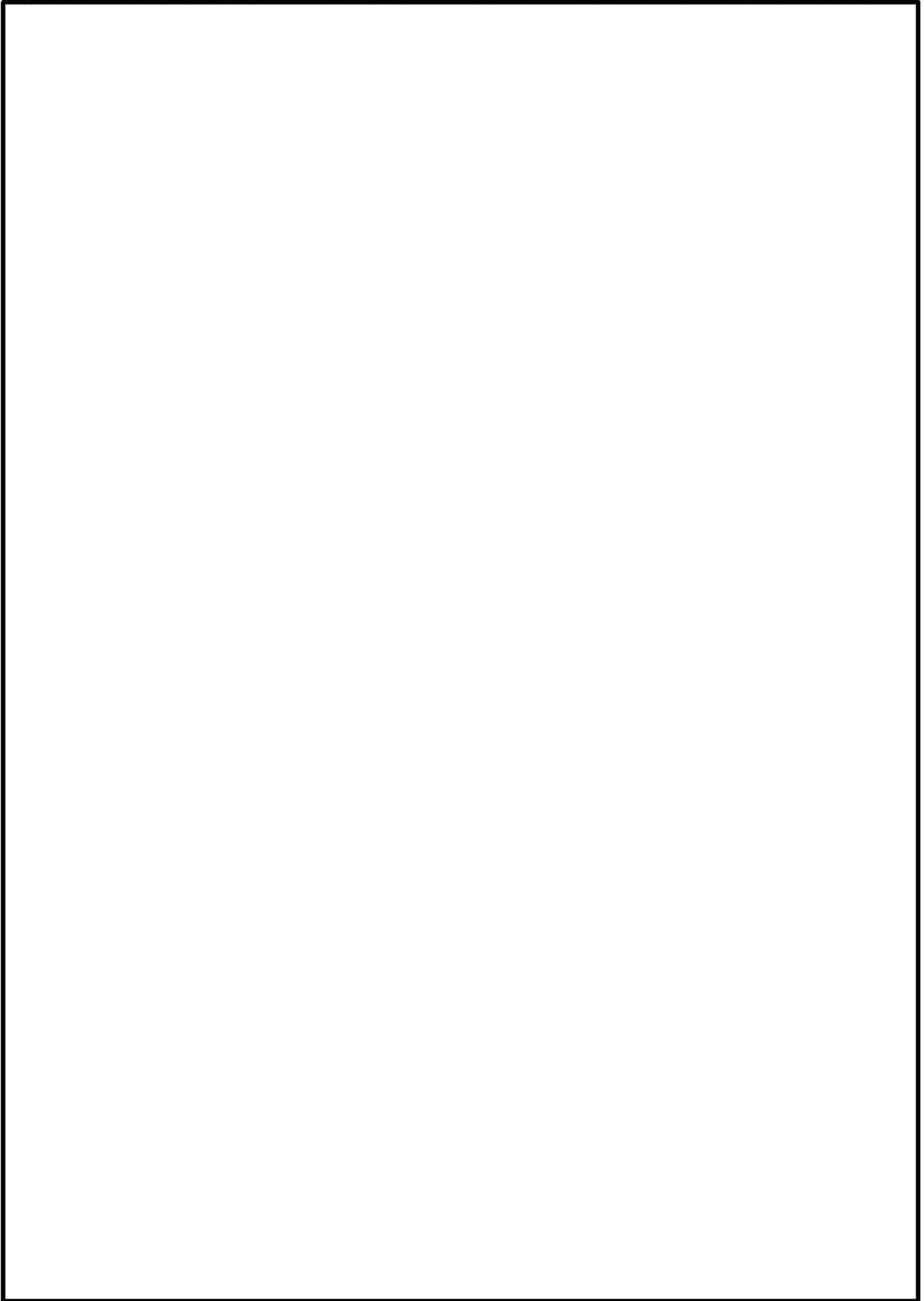


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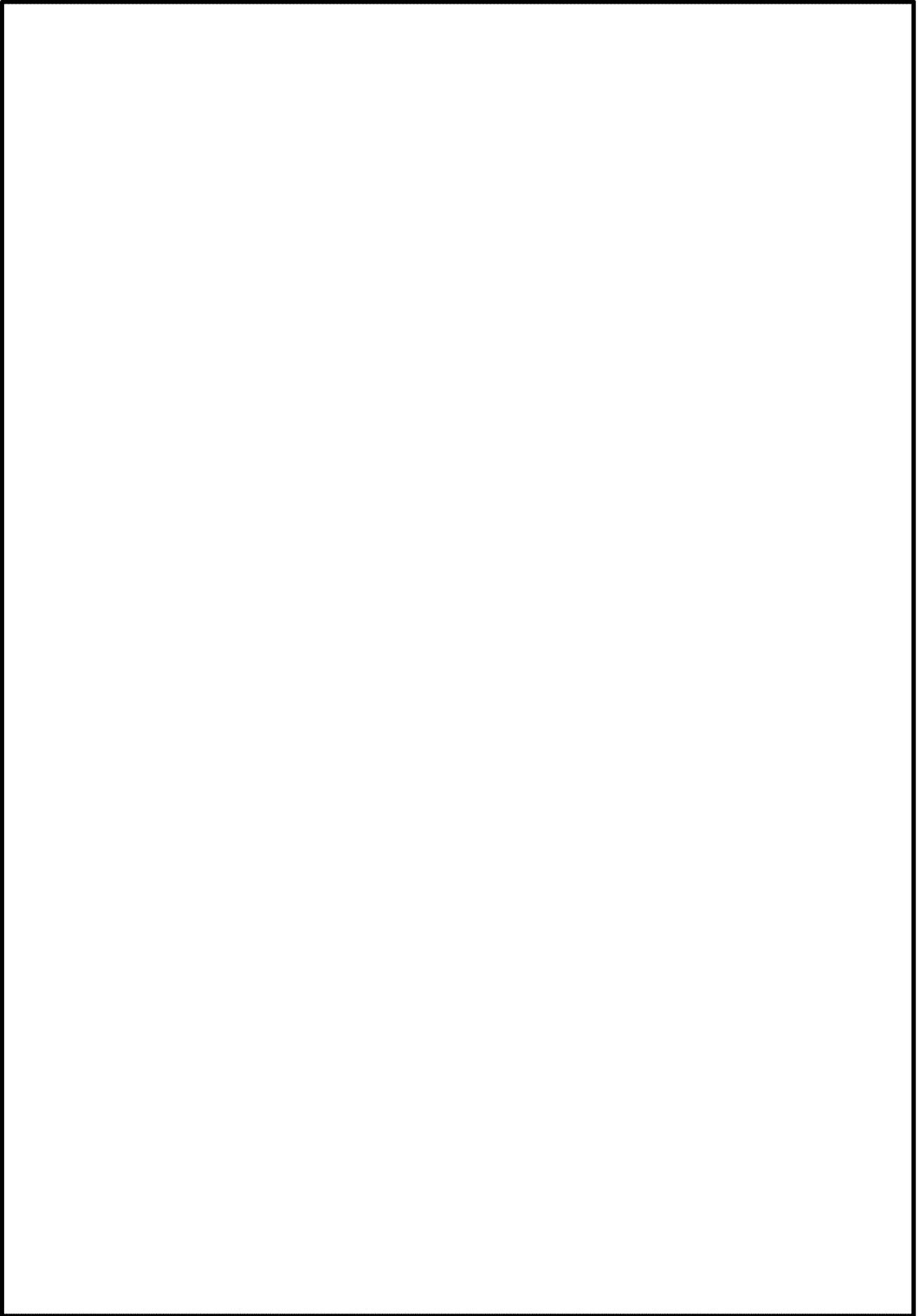


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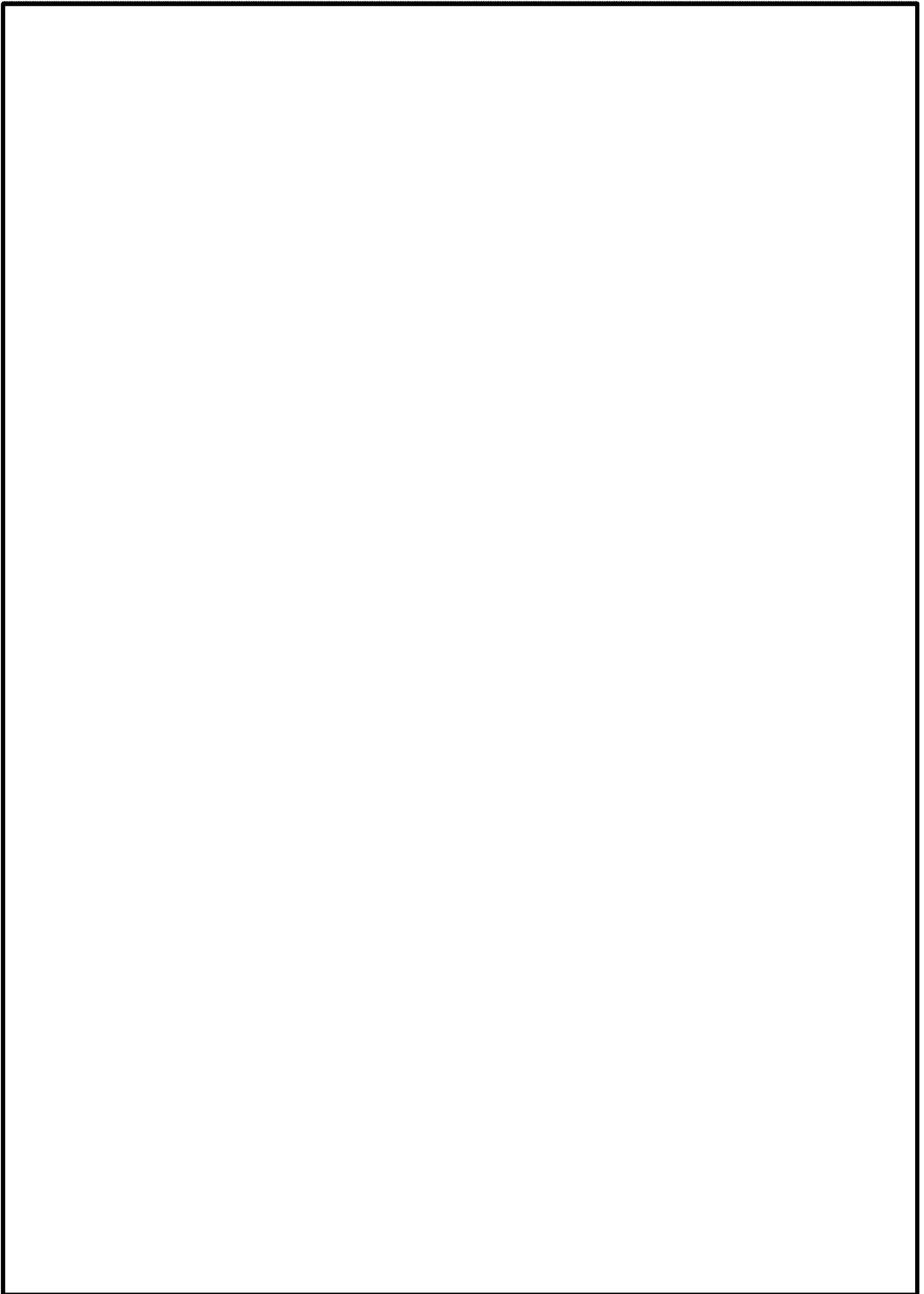




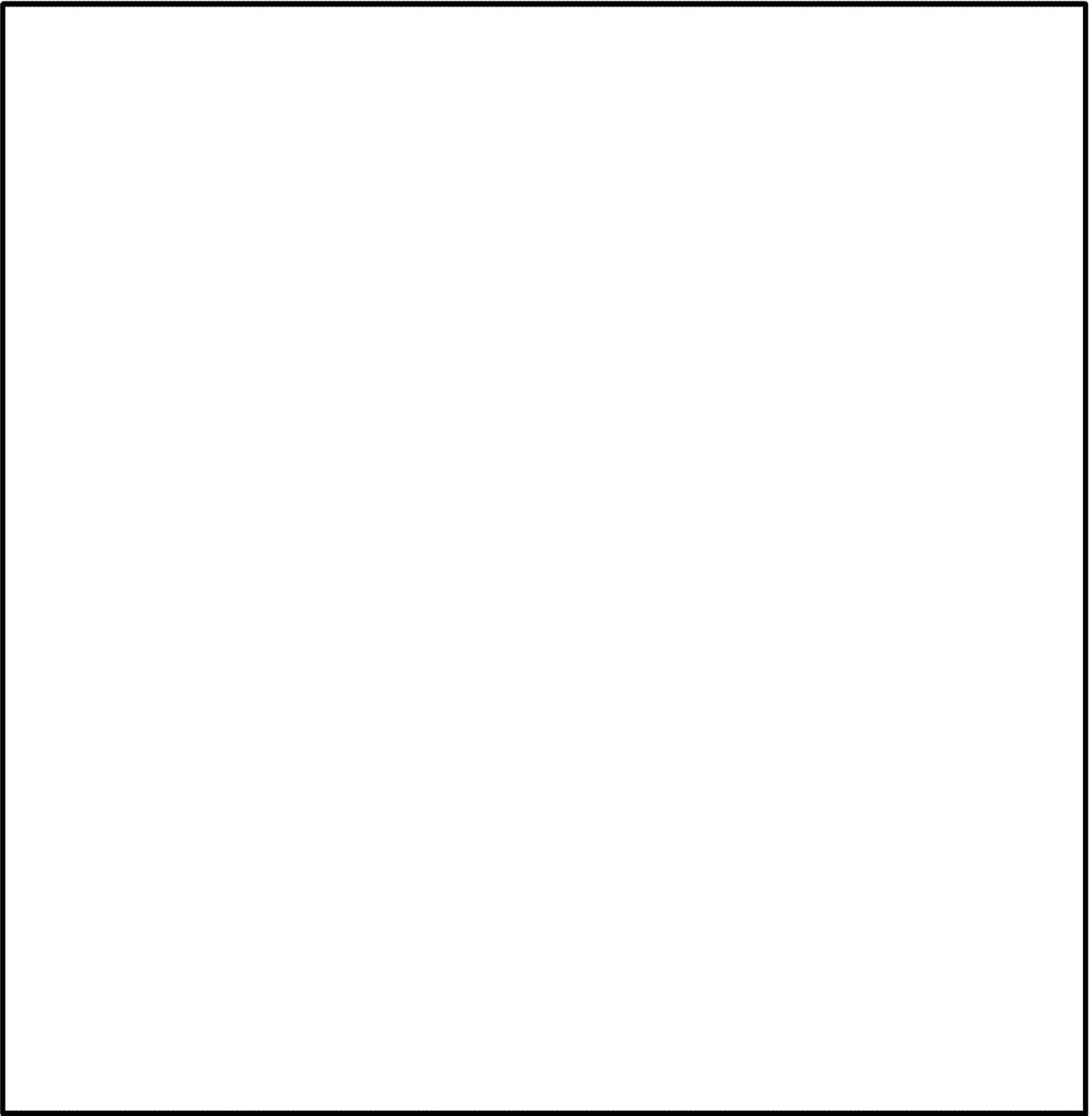
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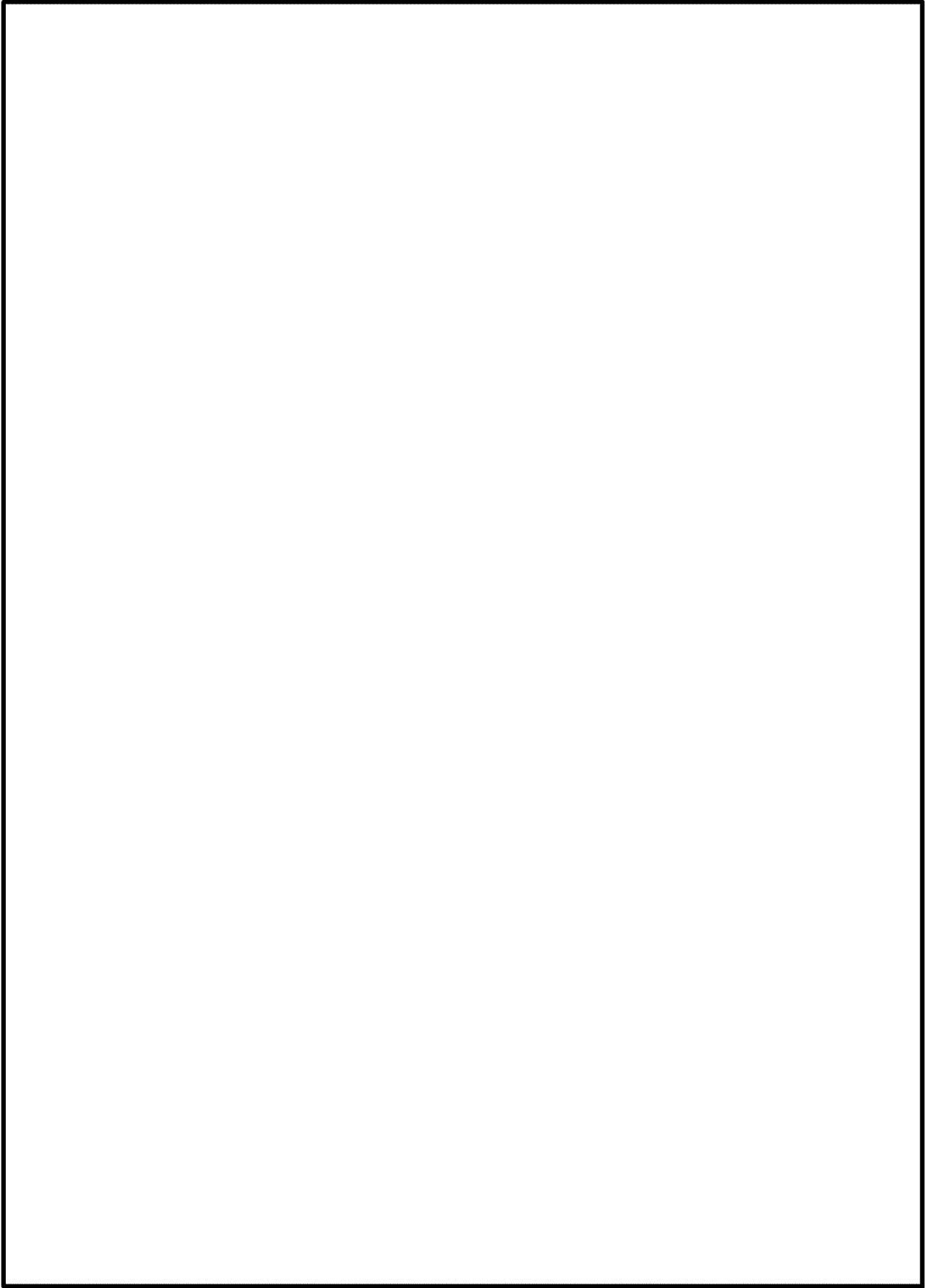
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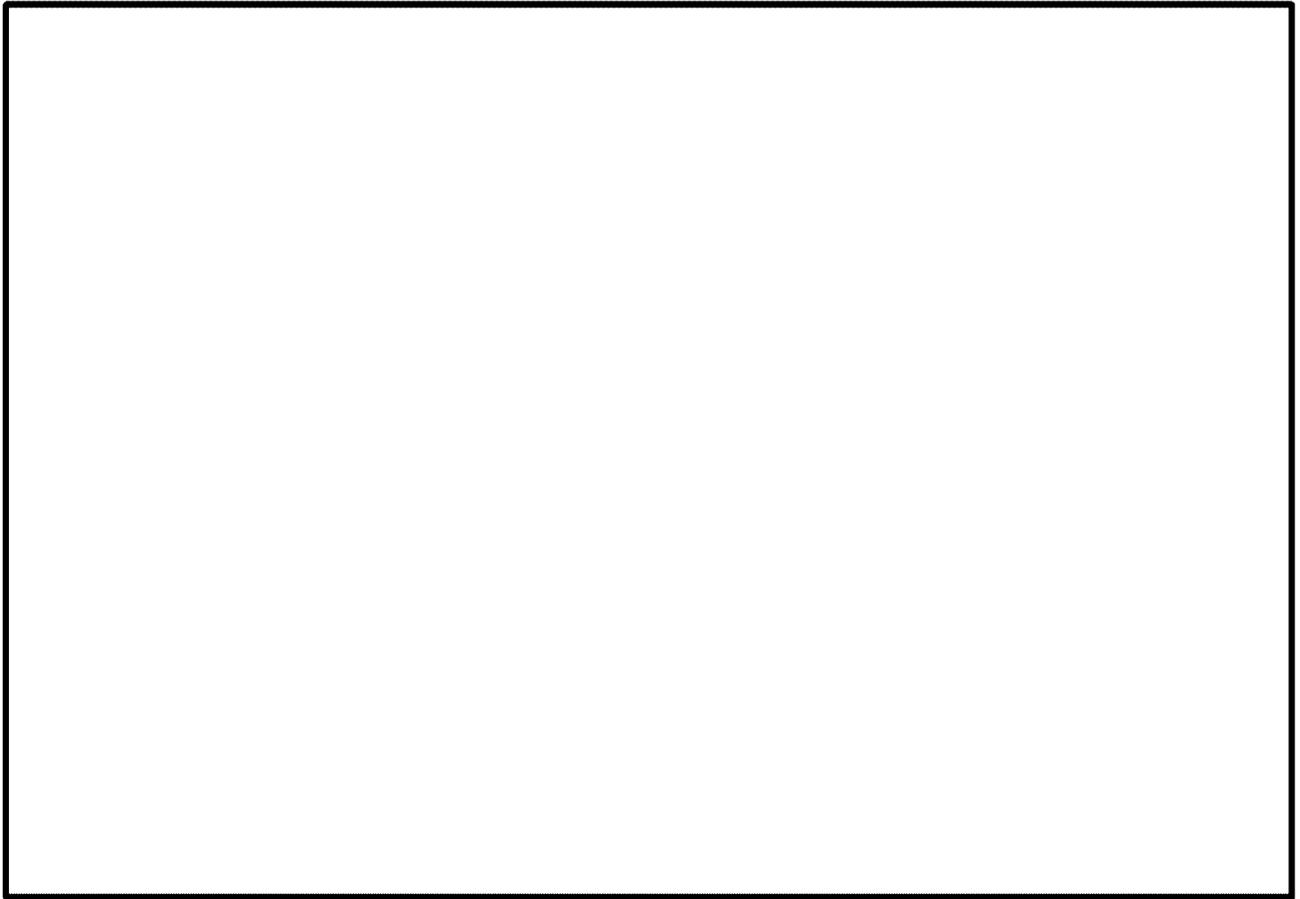
*Section 4.8 Operations Plan*

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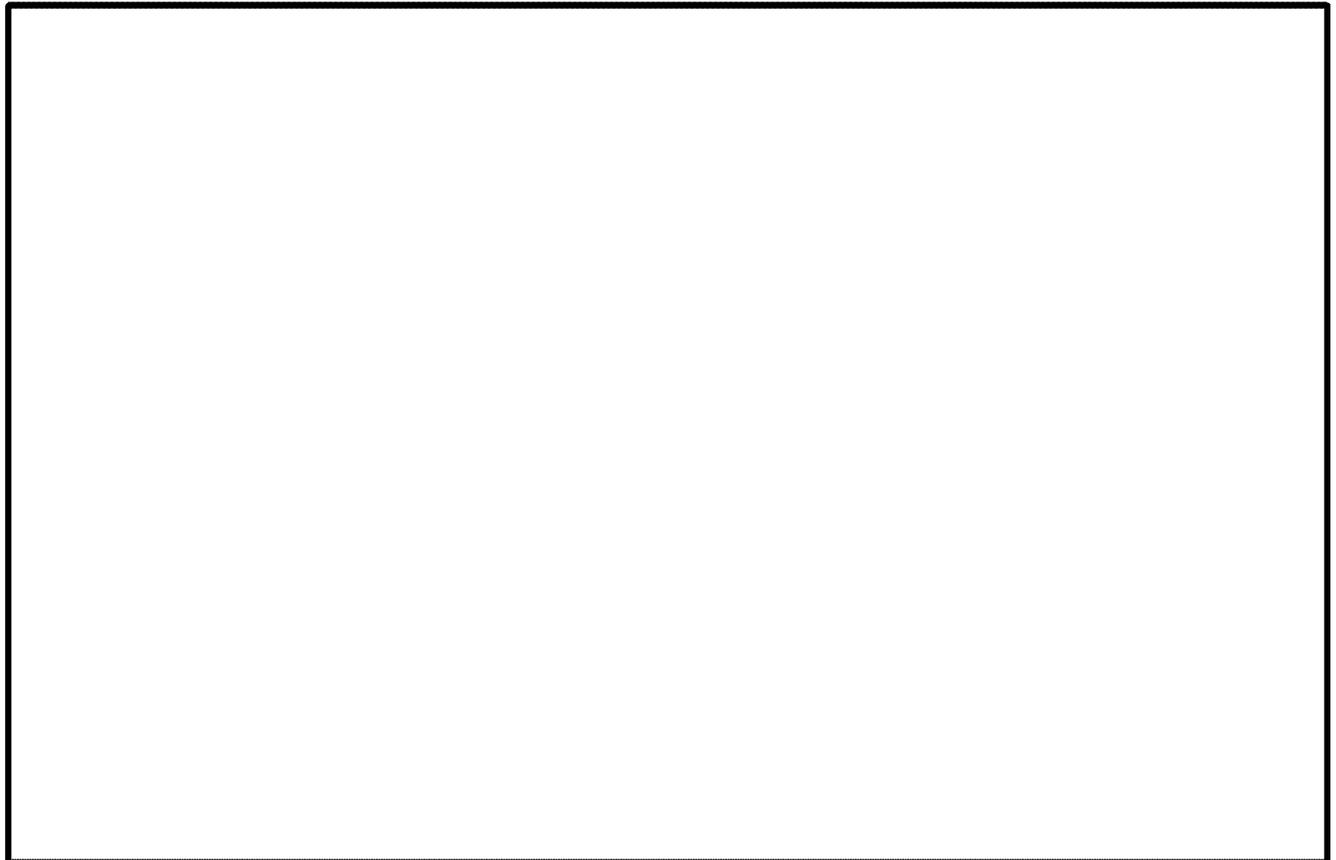


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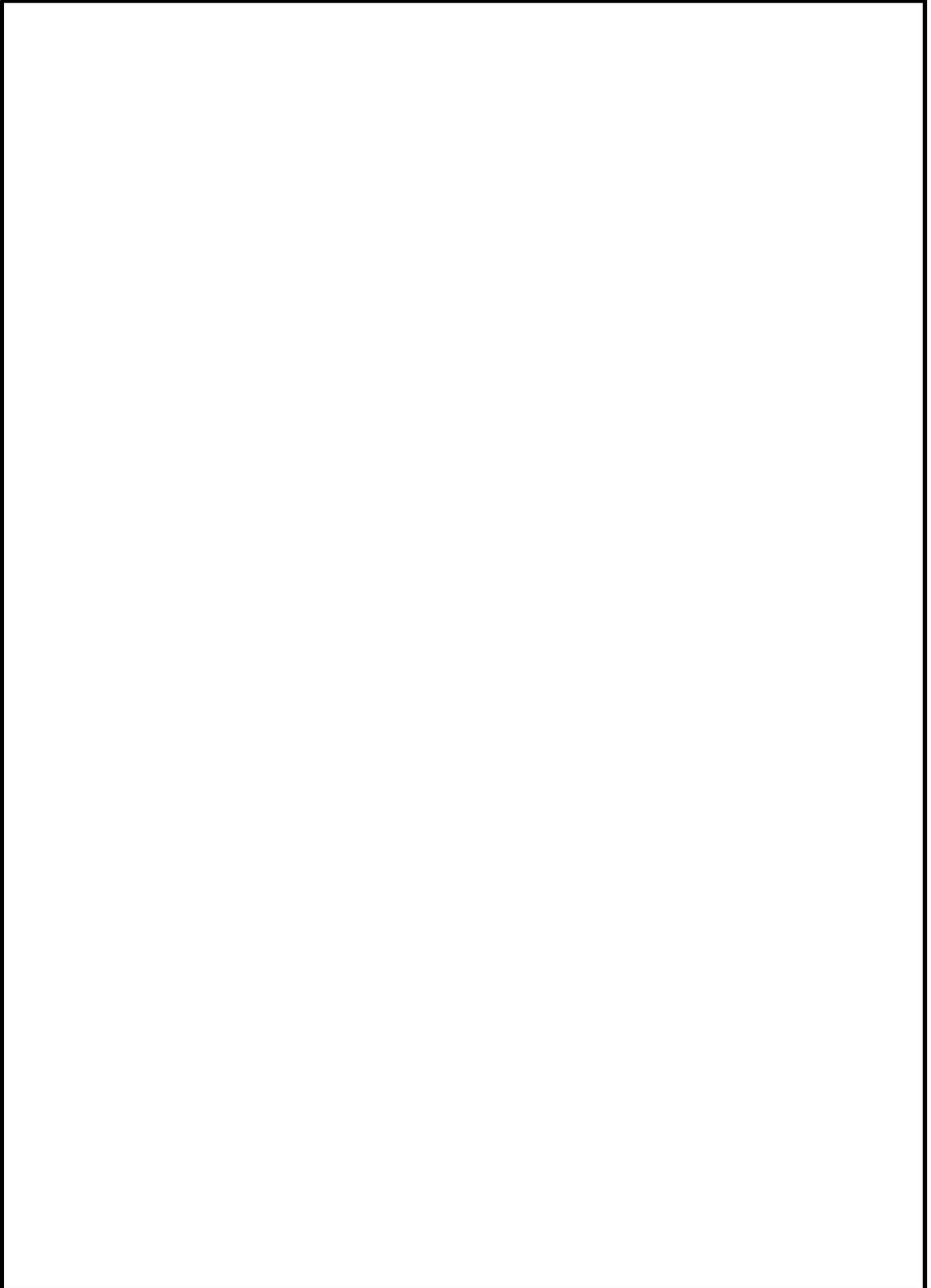


*Section 4.9 Market and Customer Base*

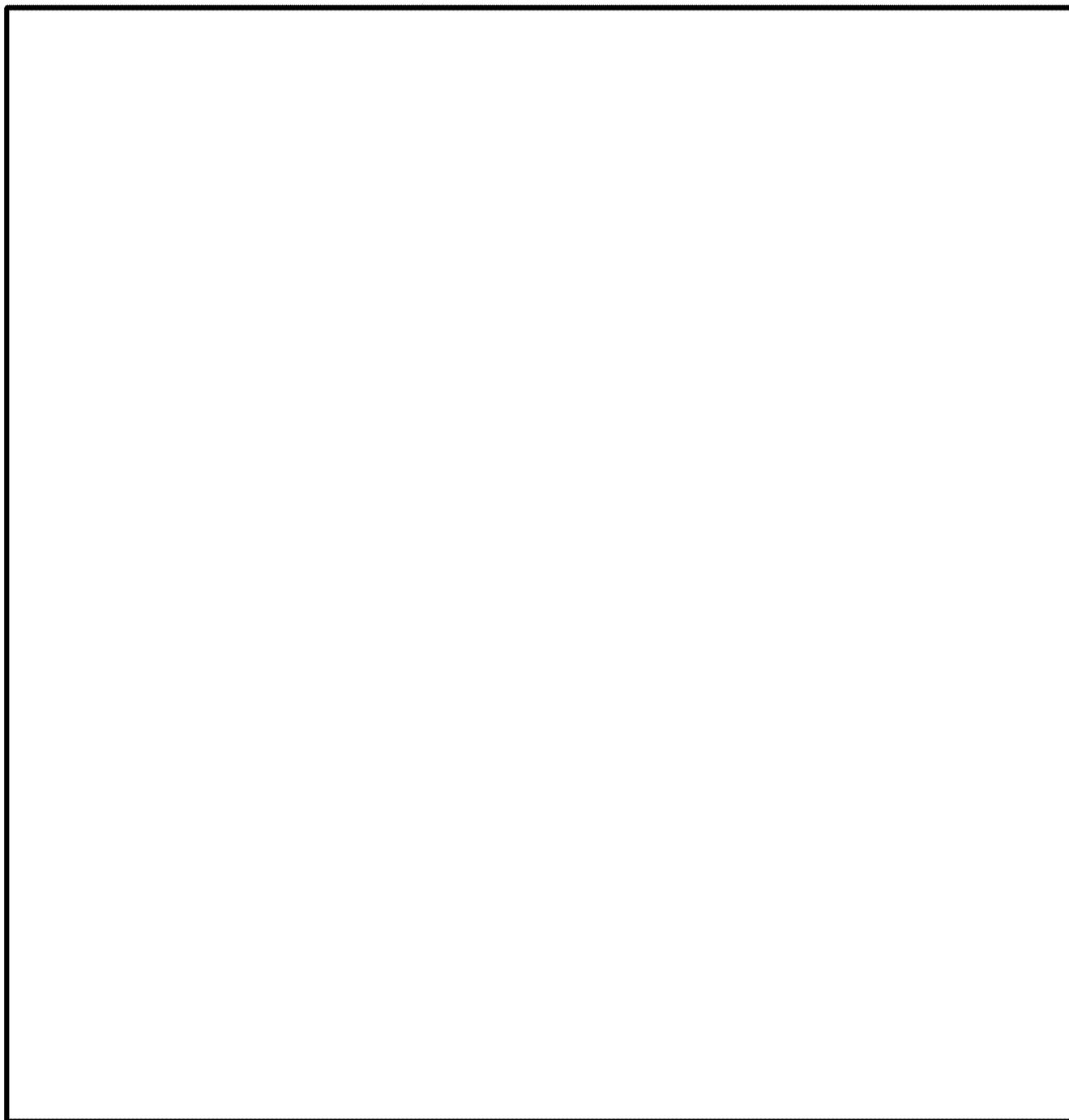
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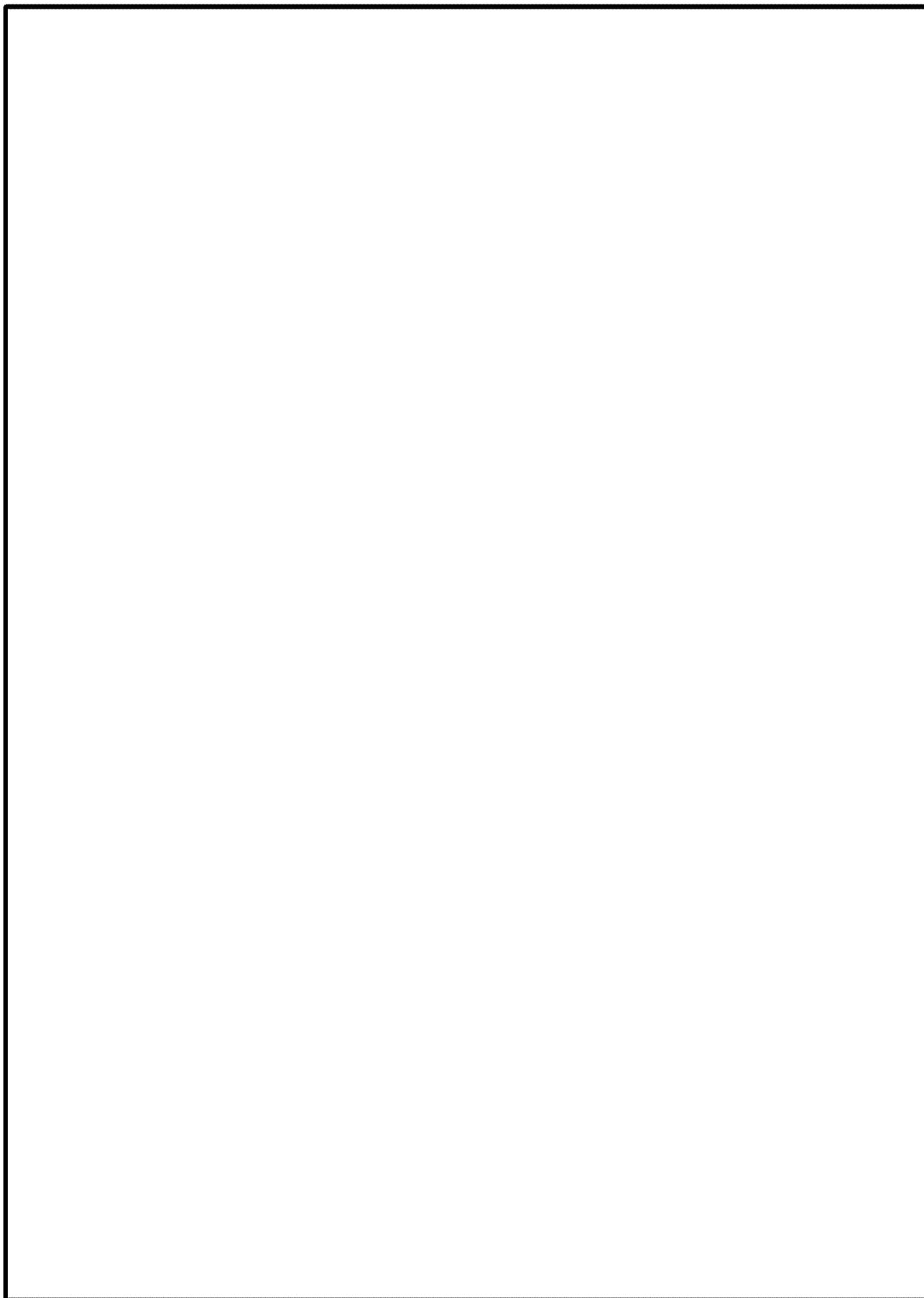
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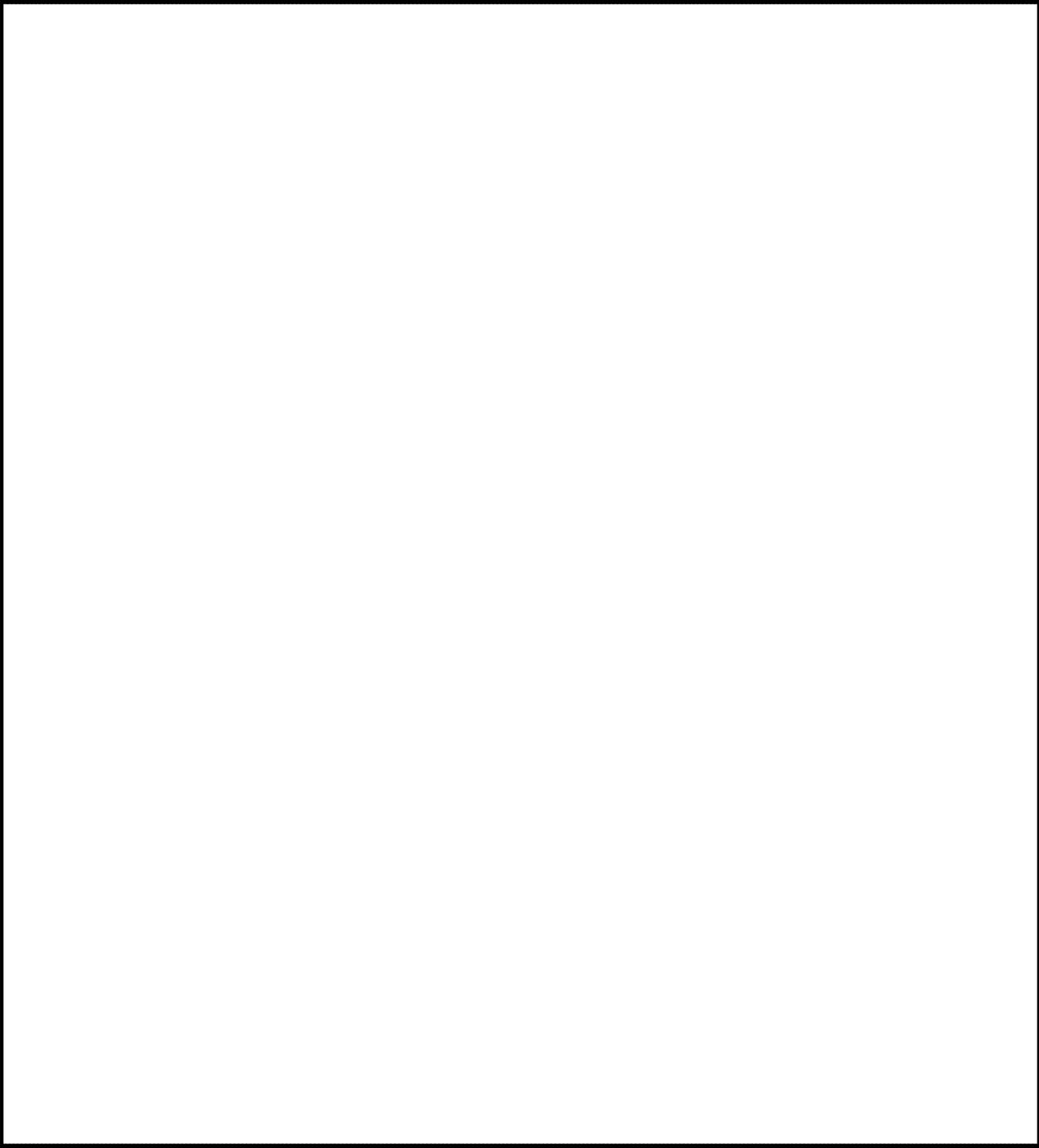
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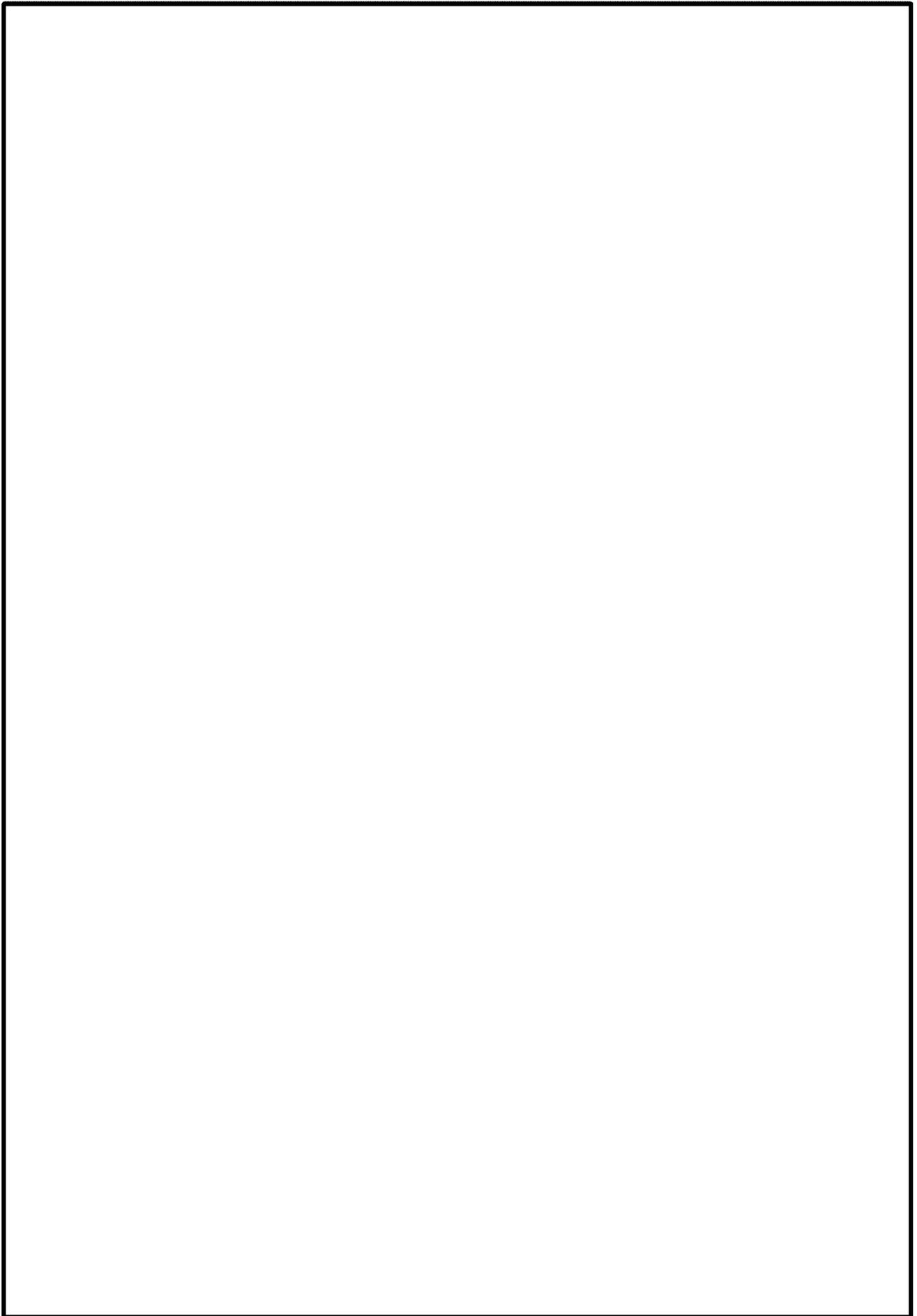
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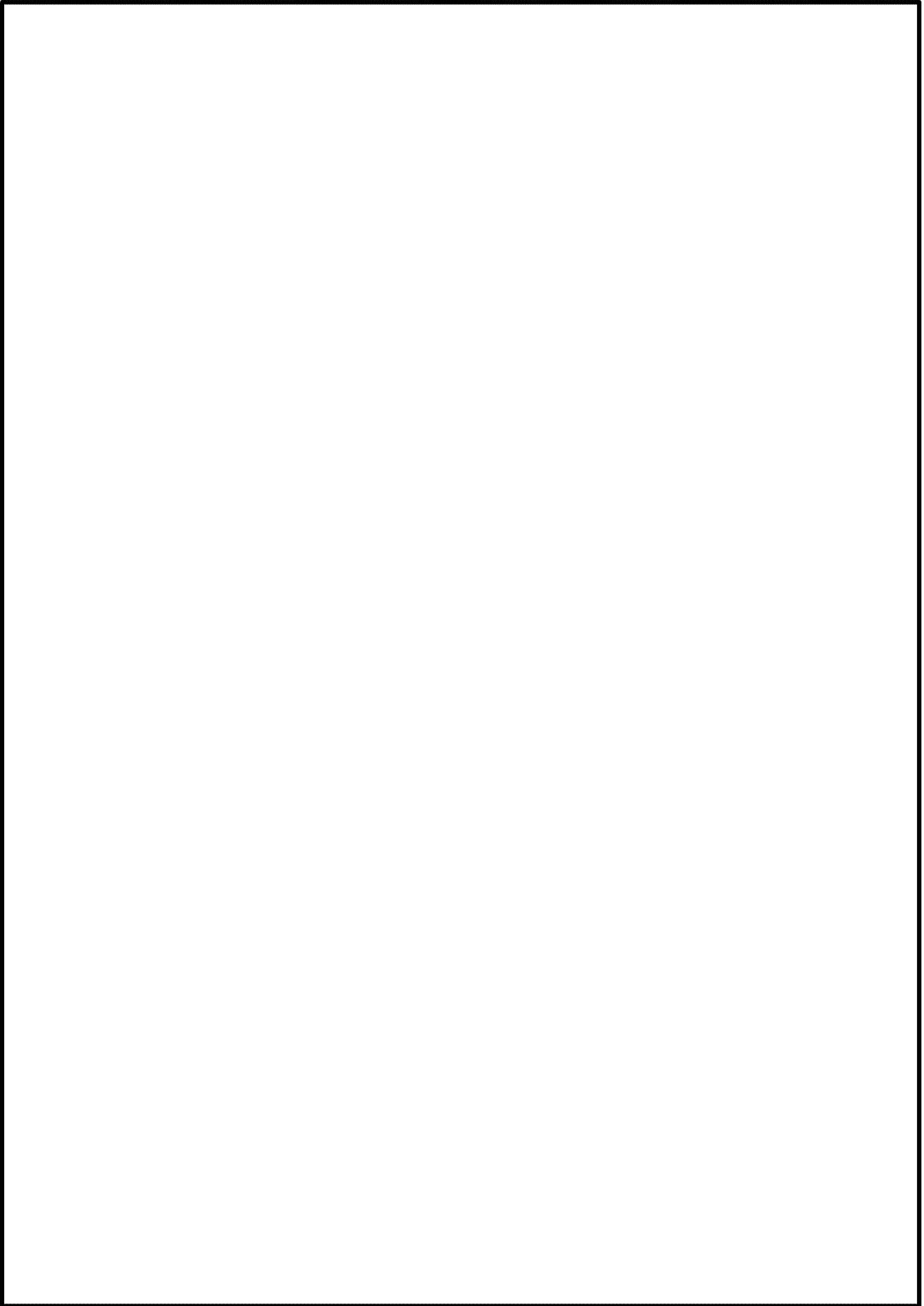
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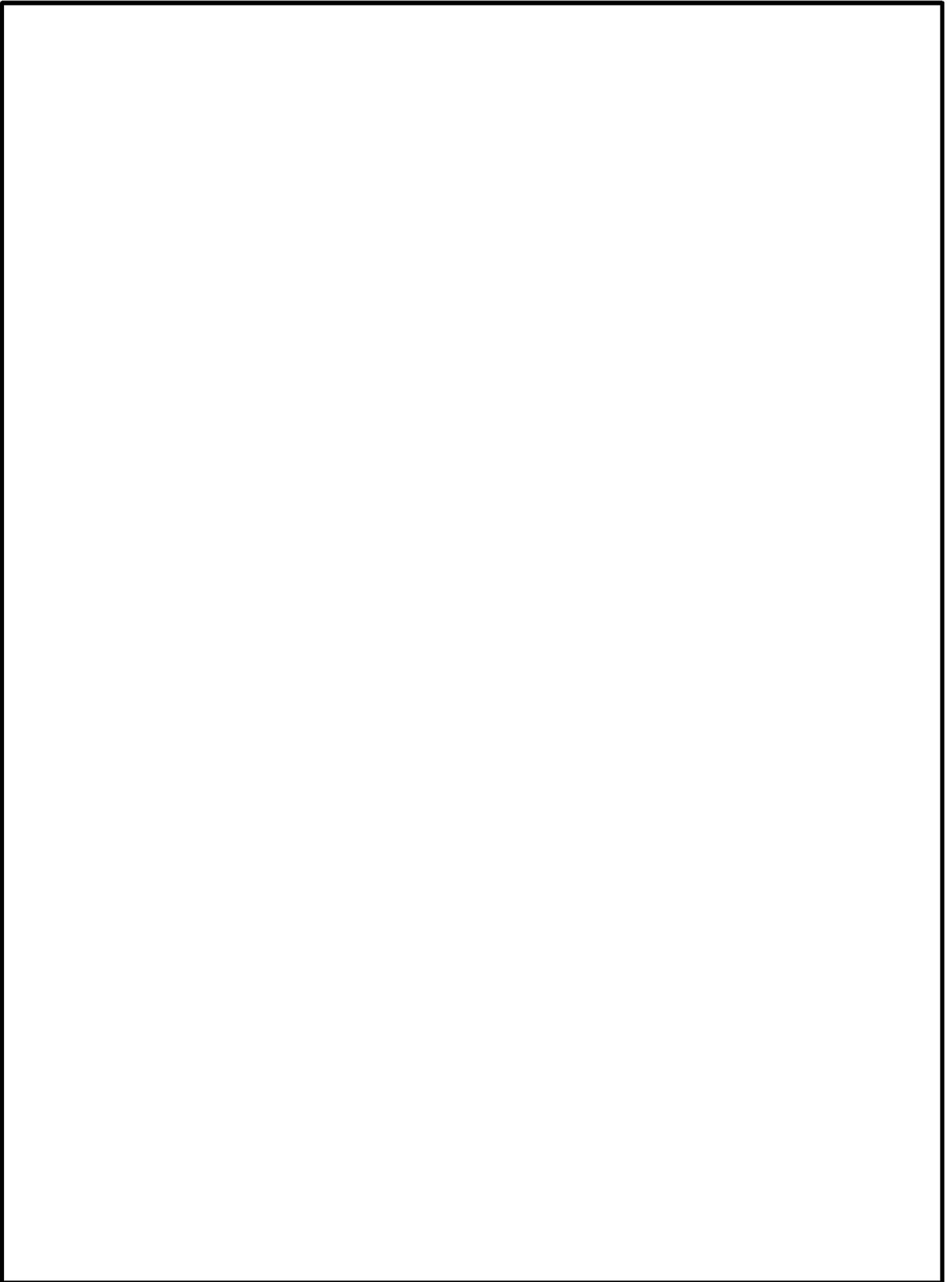
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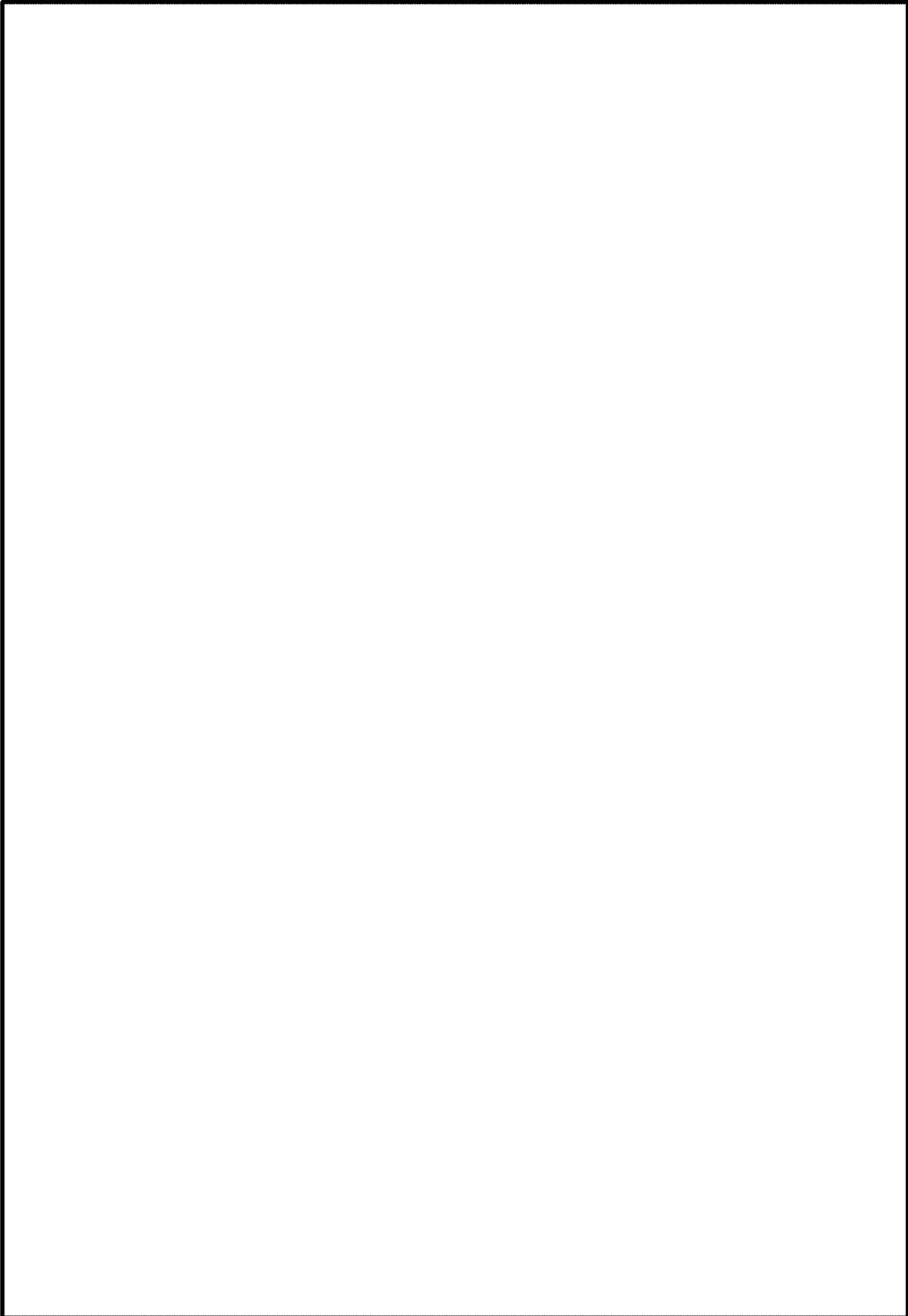


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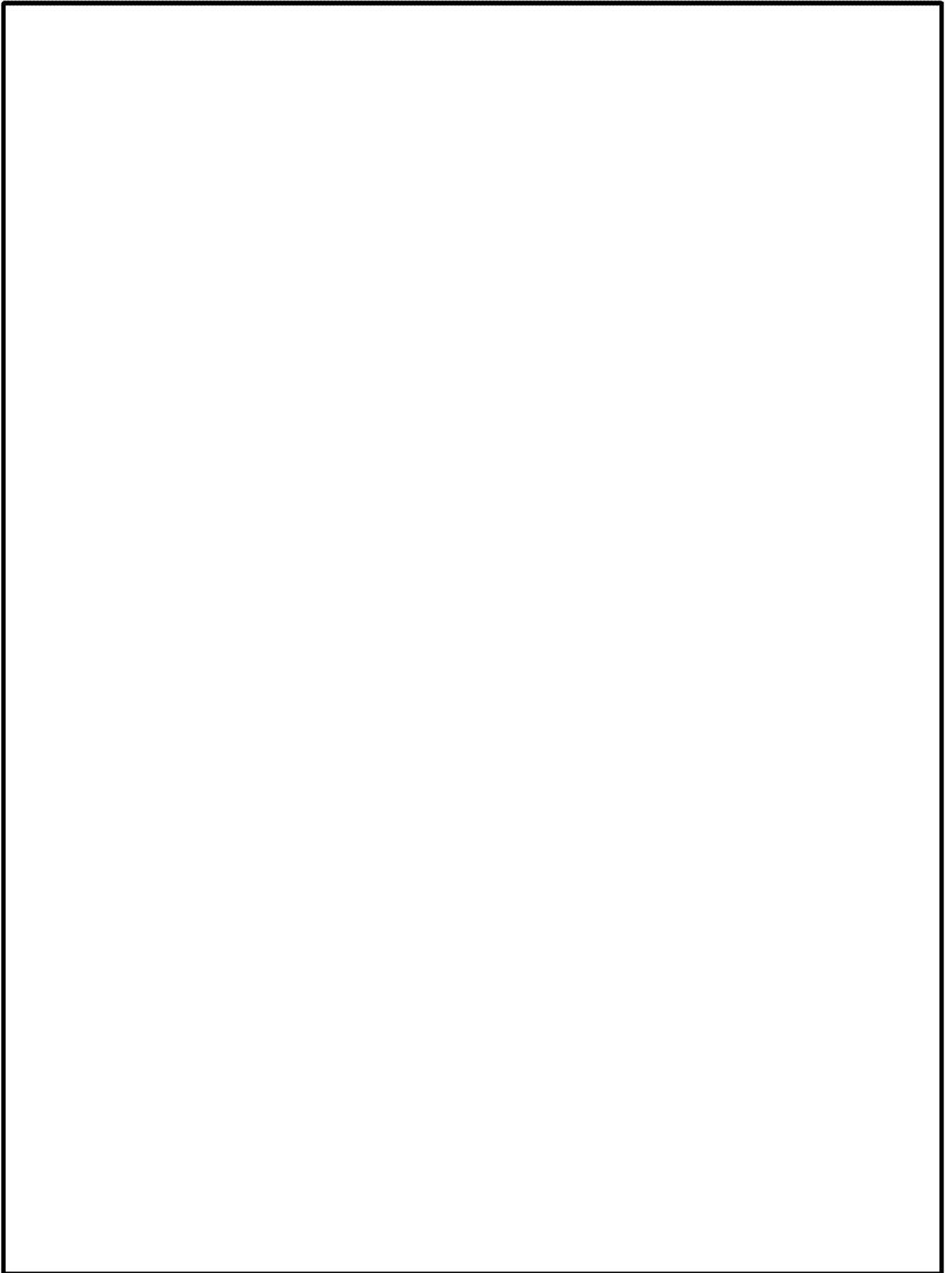


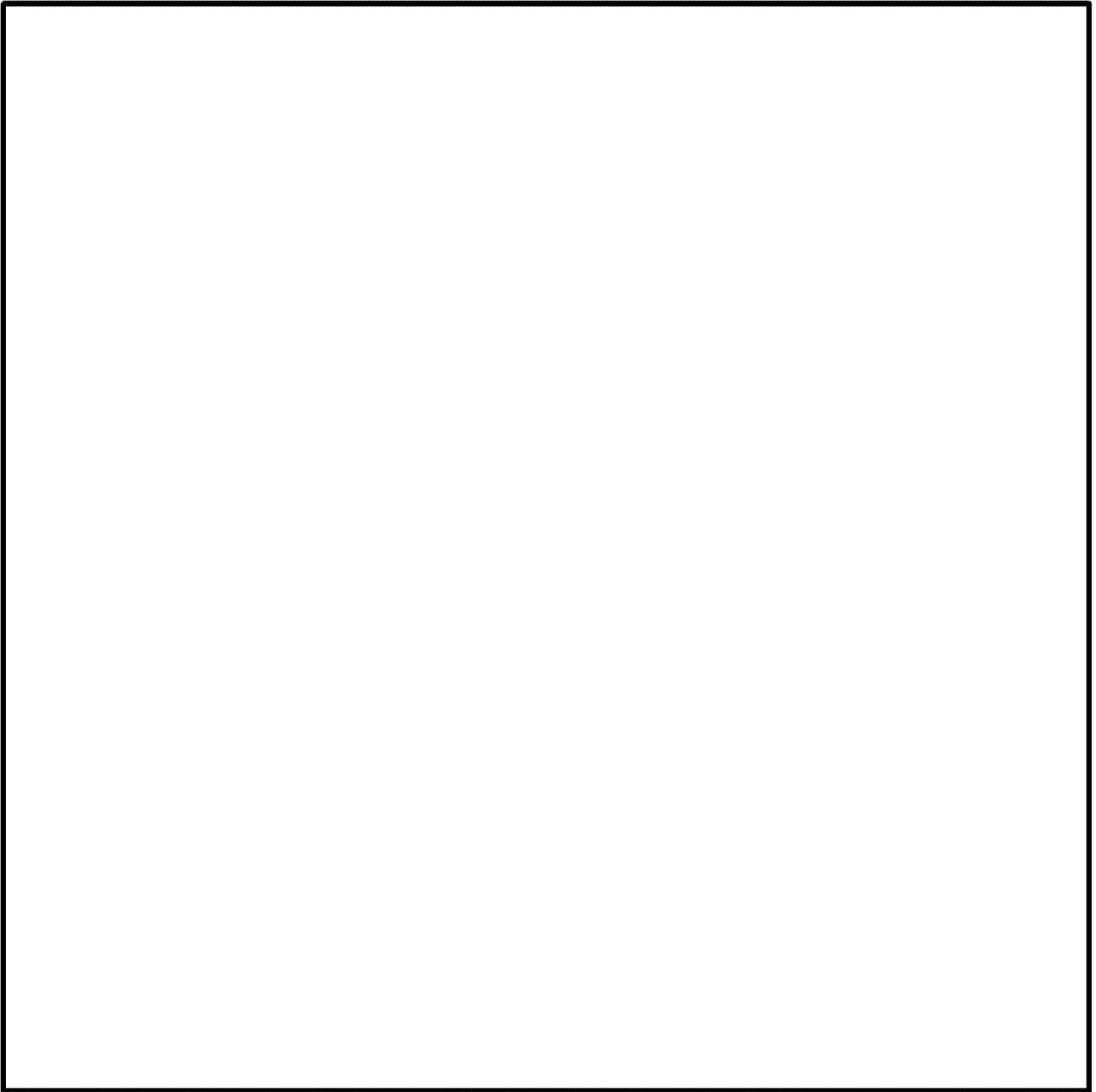
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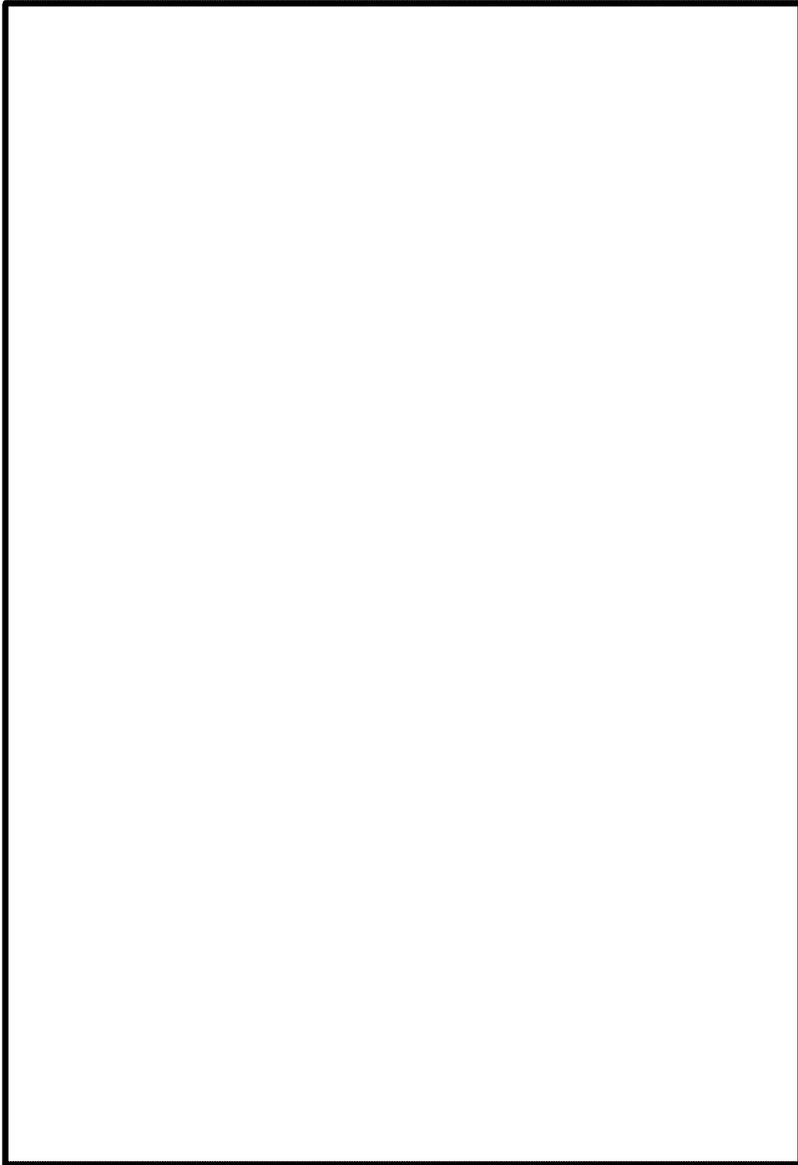


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*Section 4.12 Source and Use of Funds*



(b)(4)



#### *Section 4.14 Job Creation Information*

A job creation model was created based on local information gathered on DBT's primary industry focuses in Kane County through IMPLAN using 2011 data for Kane County to conduct the analysis.

#### **Overview of the IMPLAN Model**

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, Kane County, Illinois). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, one year).

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the "flow of dollars from purchasers to producers within the region." It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of "local-level multipliers" that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

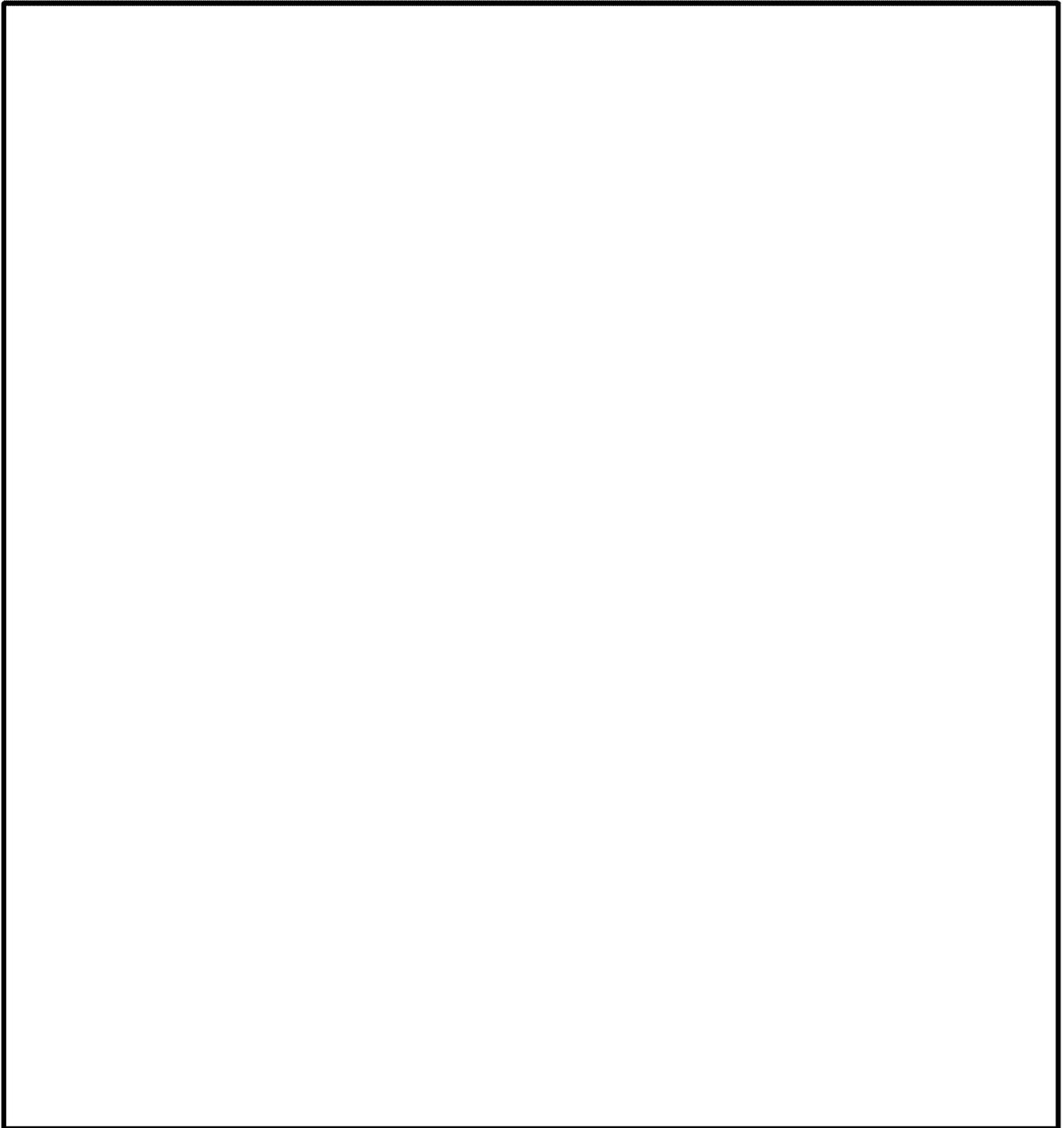
Given the need to create a minimum threshold of 10 jobs per investor and the target of 4 alien investors, the total job creation must equal or exceed 40 jobs. The models below establish that

the number of jobs created (combining direct, indirect, and induced) will more than exceed the minimum requirement.

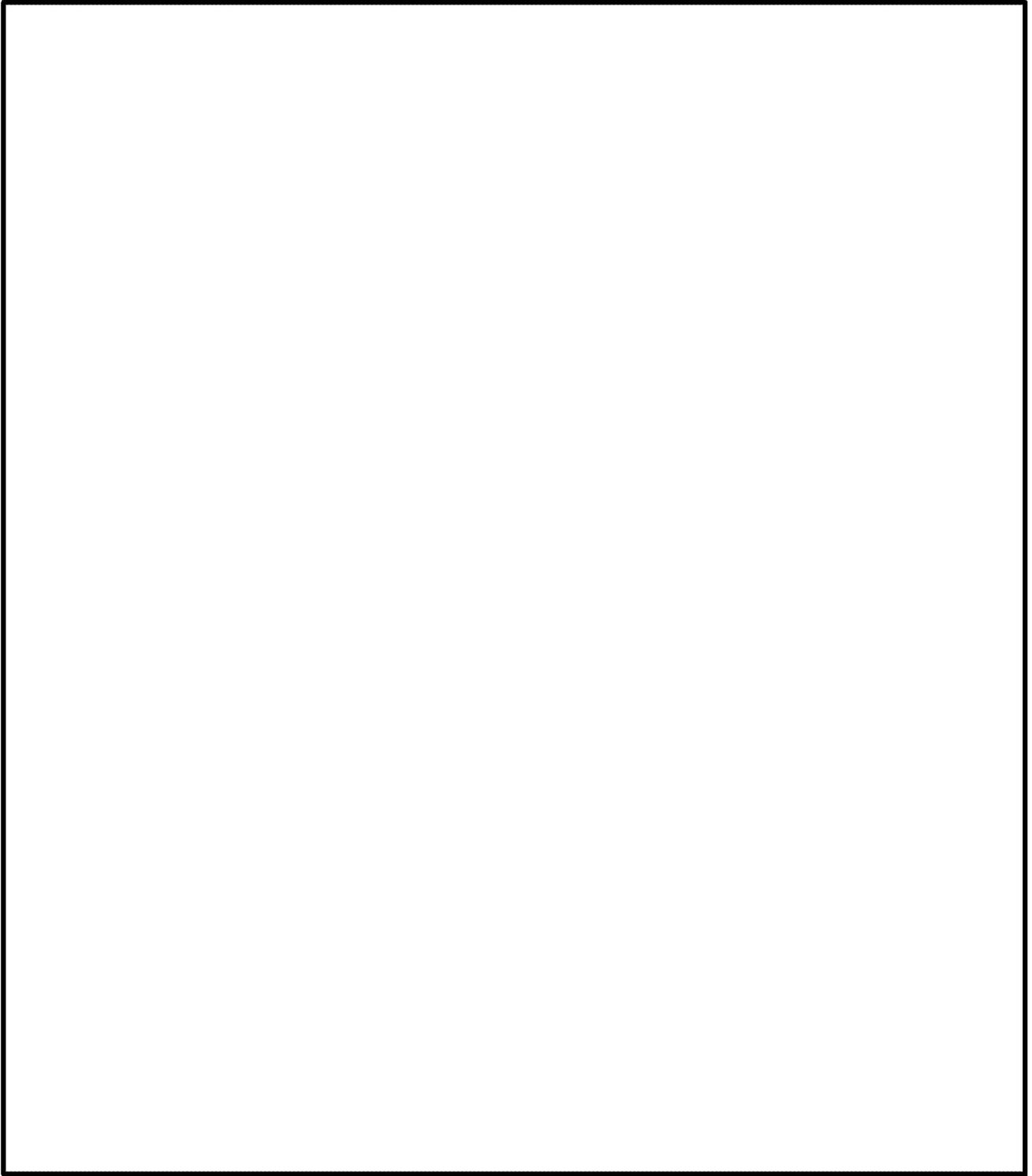
**Job Creation – DBT Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from DBT’s financial projections used to create the model for each of DBT’s primary industry focus.

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## Appendices

### *Appendix A – GLRC II Offering Documents*

Form **LLC-5.5**

 **Illinois  
Limited Liability Company Act  
Articles of Organization**

**FILE # 04469755**

**Secretary of State Jesse White**  
Department of Business Services  
Limited Liability Division  
www.cyberdriveillinois.com

**Filing Fee: \$500**  
**Expedited Fee: \$100**  
**Approved By: REH**

**FILED**  
**JUL 31 2013**  
**Jesse White**  
**Secretary of State**

1. Limited Liability Company Name: GLRC INVESTMENT FUND II, LLC

2. Address of Principal Place of Business where records of the company will be kept:  
20 N. WACKER DRIVE, SUITE 2200

CHICAGO, IL 60606

3. Articles of Organization effective on the filing date.

4. Registered Agent's Name and Registered Office Address:

DAVID B. ANDERSON  
20 N WACKER DR STE 2200  
CHICAGO, IL 60606-3003

COOK

5. Purpose for which the Limited Liability Company is organized:

"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. The Limited Liability Company is managed by the manager(s).

ANDERSON, DAVID B.  
20 N. WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606

8. **Name and Address of Organizer**

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: JULY 31, 2013

DAVID B. ANDERSON  
20 N WACKER DRIVE, SUITE 2200  
CHICAGO, IL 60606



**EIN Assistant**

Your Progress: 1. Identity 2. Authenticate 3. Addresses 4. Details 5. EIN Confirmation

**Summary of your information**

Please review the information you are about to submit. If any of the information below is incorrect, you will need to [start a new application](#).

Click the "Submit" button at the bottom of the page to receive your EIN.

**Organization Type: LLC**

**LLC Information**

Legal name: **GLRC INVESTMENT FUND II LLC**  
 County: **COOK**  
 State/Territory: **IL**  
 Start date: **JULY 2013**  
 Closing month of accounting year: **DECEMBER** (The closing month of the accounting year is defaulted to December due to your organization type. To change your closing month of accounting year, complete [Form 1128](#).)  
 State/Territory where articles of organization are (or will be) filed: **IL**

**Help Topics**

[? What is Form 1128?](#)

**Addresses**

Physical Location: **20 N WACKER DR STE 2200  
CHICAGO IL 60606**  
 Phone Number: **312-965-5979**

**Responsible Party**

Name: **HCE INTL LLC MBR (b)(3)**  
 EIN:

**Principal Business Activity**

What your business/organization does: **SERVICE**  
 Principal products/services: **MANAGEMENT**

**Additional LLC Information**

Owns a 55,000 pounds or greater highway motor vehicle: **NO**  
 Involves gambling/wagering: **NO**  
 Involves alcohol, tobacco or firearms: **NO**  
 Files Form 720 (Quarterly Federal Excise Tax Return): **NO**  
 Has employees who receive Forms W-2: **NO**  
 Reason for Applying: **STARTED A NEW BUSINESS**

We strongly recommend you print this summary page for your records as this will be your only copy of the application. You will not be able to return to this page after you click the "Submit" button.

Click "Submit" to send your request and receive your EIN.

Once you submit, please wait while your application is being processed. It can take up to two minutes for your application to be processed.

**OPERATING AGREEMENT OF  
GLRC INVESTMENT FUND II, LLC**

THIS OPERATING AGREEMENT (hereinafter the "Operating Agreement") is made as of the 31st day of July, 2013, by HCE INTL, LLC ("Class A Members"), such other parties who may sign this Operating Agreement as Class B Members ("Class B Members") and Class C Members ("Class C Members") (the Class A Members, Class B Members, and Class C Members are hereinafter collectively referred to as the "Members").

**WITNESSETH**

For and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties hereto agree as follows:

**1 ARTICLE 1 – FORMATION OF GLRC INVESTMENT FUND II, LLC ("GLRC II")**

1.1 Formation. GLRC II was formed upon the filing with the Secretary of State of Illinois of the Articles of Organization of GLRC II (the "Articles of Organization") pursuant to the provisions of the Illinois Limited Liability Company Act (the "Act"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the rights and obligations of the Members and the administration and termination of GLRC II shall be governed by this Operating Agreement, the Articles of Organization and the Act; provided, however, that to the extent this Operating Agreement is in conflict with the default provisions of the Act, this Operating Agreement, to the extent permitted by the Act, shall control. David B. Anderson, as the organizer of GLRC II (the "Organizer"), formed GLRC II on behalf of the Members under Illinois law by filing the Articles of Organization on behalf of the Members, and has identified the Members initially executing this Operating Agreement as the initial members of GLRC II in accordance with the Act. [REDACTED]

(b)(4)

[REDACTED]  
[REDACTED] The Members shall execute and cause to be recorded such additional documents as may be required for a limited liability company pursuant to the laws of the State of Illinois. GLRC II is managed by a Manager and the initial Manager is David B. Anderson.

1.2 Name. The name of GLRC II may be changed from time to time by amendment of the Articles of Organization. GLRC II may transact business under an assumed name by filing an assumed name certificate in the manner prescribed by applicable law.

1.3 Registered Office and Registered Agent. GLRC II's registered office and registered agent shall be as set forth in the Articles of Organization or as otherwise provided in the most current annual report filed with the Illinois Secretary of State. GLRC II may change its registered agent or registered office as the Manager may from time to time deem necessary or advisable.

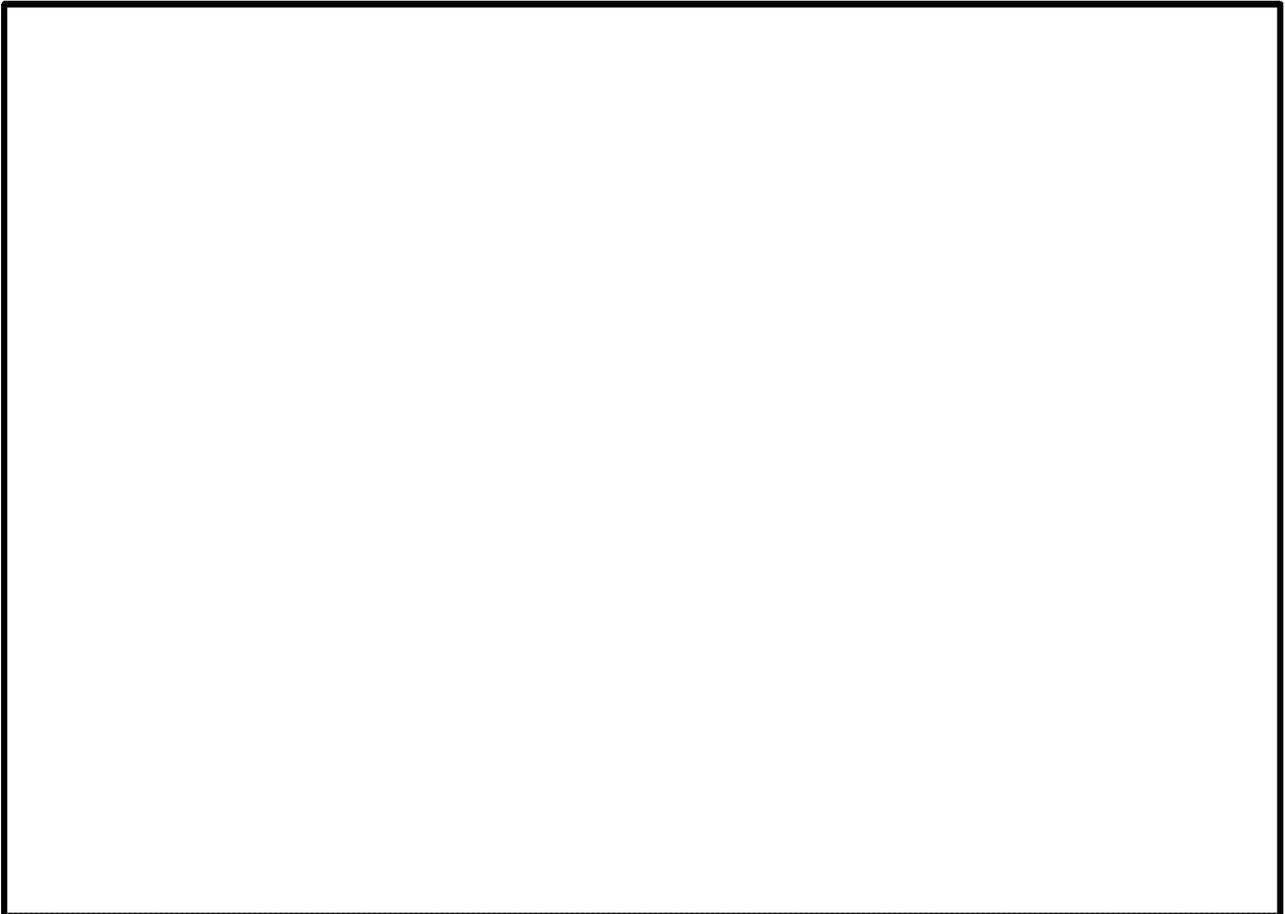
1.4 Principal Place of Business. The principal place of business of GLRC II shall be at 20 N. Wacker Drive, Suite 2200, Chicago, IL 60606. GLRC II may locate its place(s) of business at any other place or places as the Manager may from time to time deem necessary or advisable.

1.5 Term. Except as otherwise provided in GLRC II's Articles of Organization, the duration of GLRC II shall be perpetual, unless GLRC II is earlier dissolved and its affairs wound up in accordance with the provisions of this Operating Agreement or the Act.

- 1.6 Purposes. The business and purpose of GLRC II is to transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC II may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois. GLRC II intends to offer Membership Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC II shall assist those investors and their attorneys in connection with the application process by providing the necessary information regarding GLRC II and its business.
- 1.7 Powers. GLRC II shall have and exercise any and all powers necessary, incidental, or desirable to accomplish the foregoing purposes and business, to the extent the same may be legally exercised by limited liability companies under the Act. GLRC II shall carry out its business and exercise its powers pursuant to the arrangements set forth in the Articles of Organization and this Operating Agreement.

## 2 ARTICLE 2 – CLASSES, MEMBERS AND MEMBERSHIP UNITS

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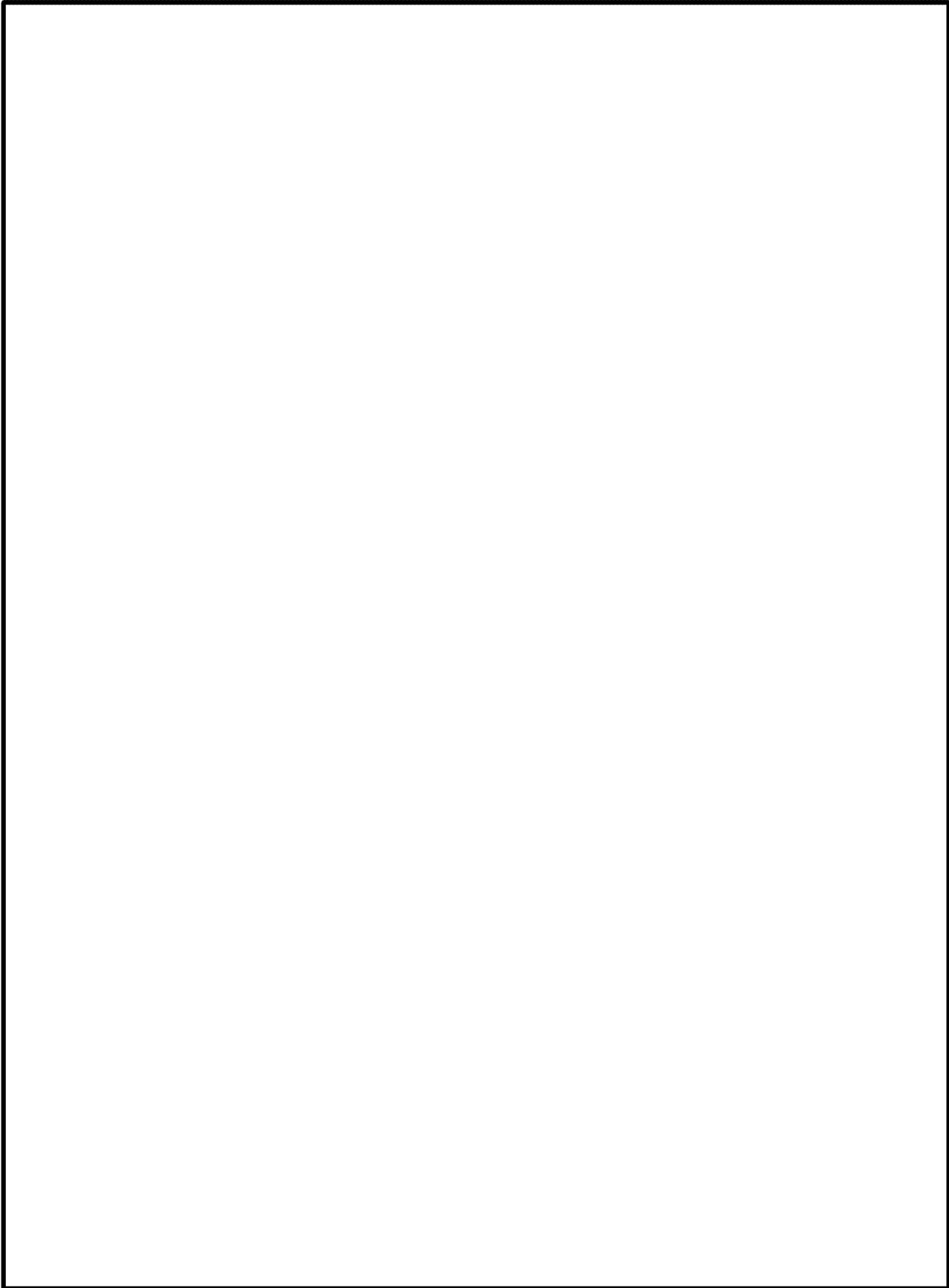


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- 2.2 Names and Addresses of Members. The names and addresses of the Members initially owning Class A Membership Units, Class B Membership Units, and/or Class C Membership Units are set forth in Exhibit A, attached hereto and made a part hereof. Such Exhibit A shall be amended by GLRC II from time to time as of the effective date of any transfer or subsequent issuance of Membership Units permitted by this Operating Agreement, or as the Members' Membership Units may otherwise be adjusted pursuant to this Operating Agreement.

2.3 Admission of Members.

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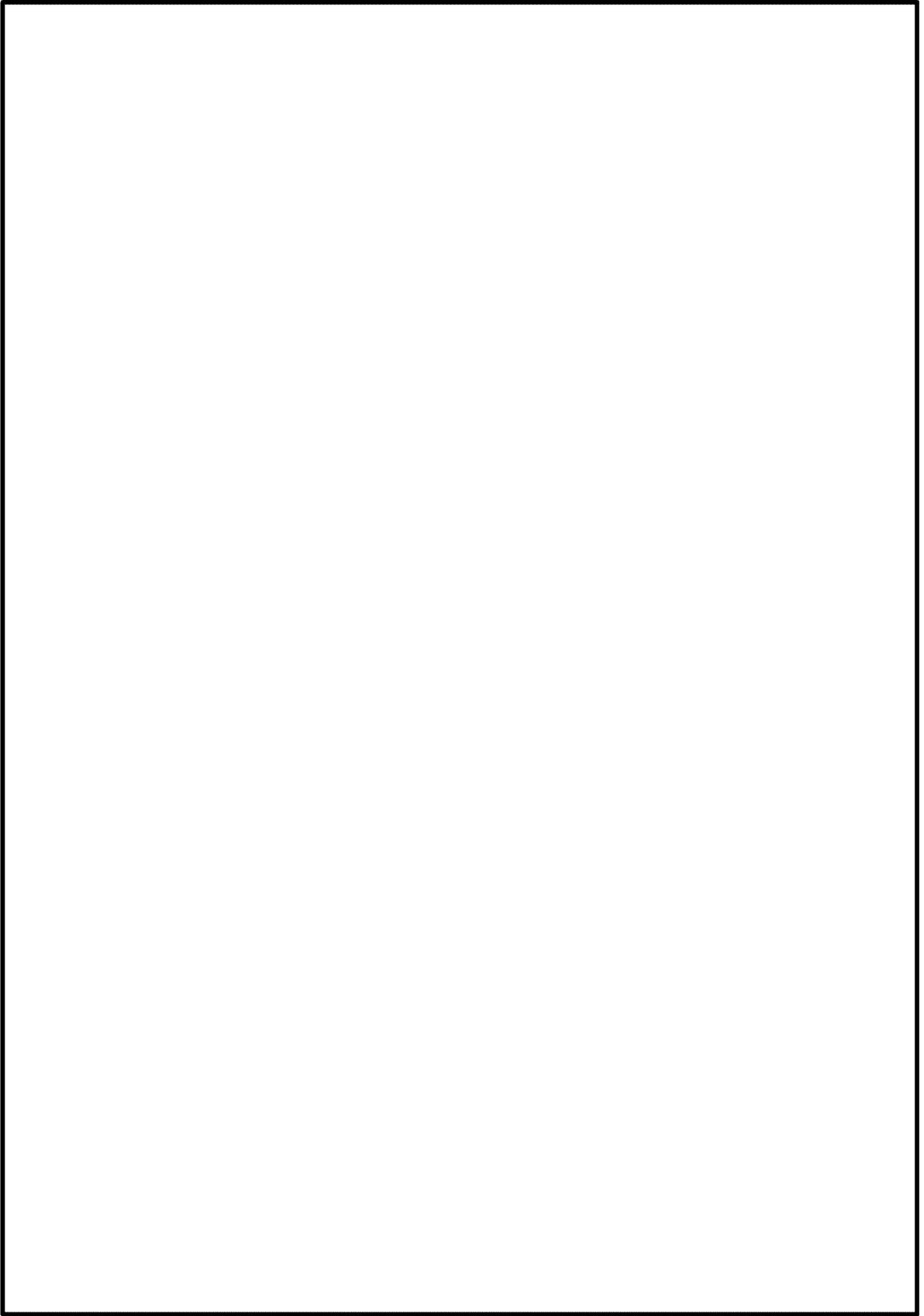
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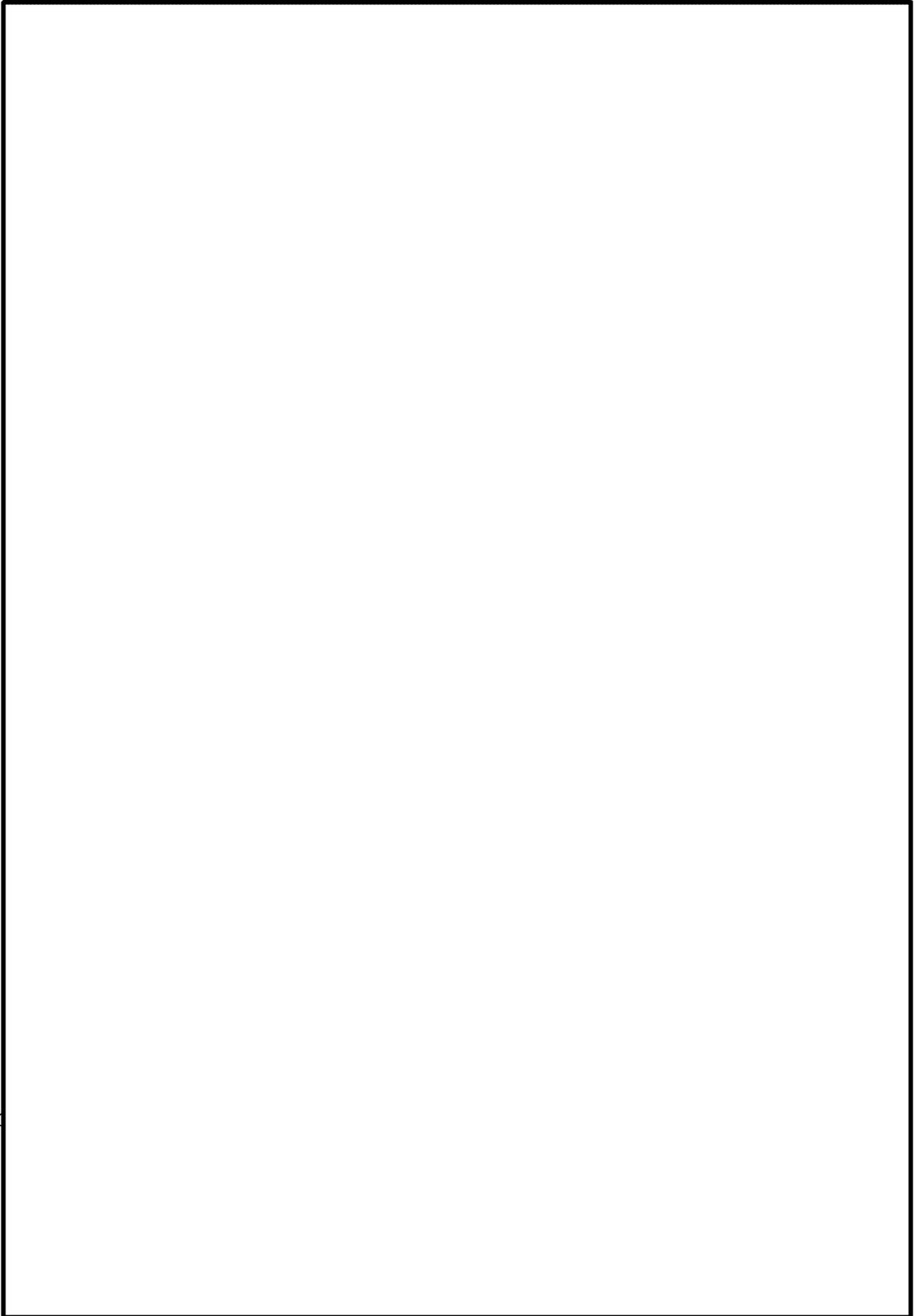


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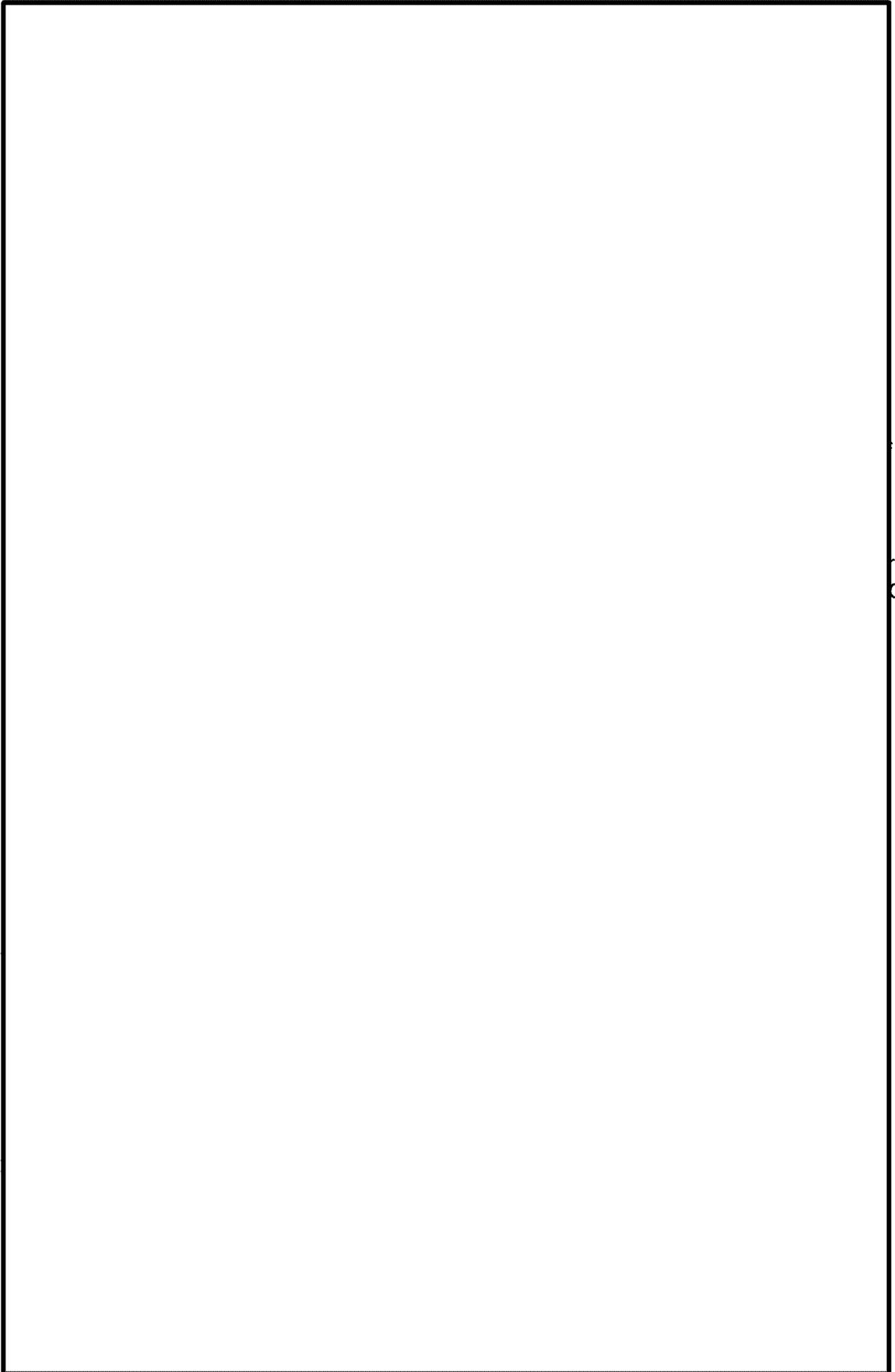
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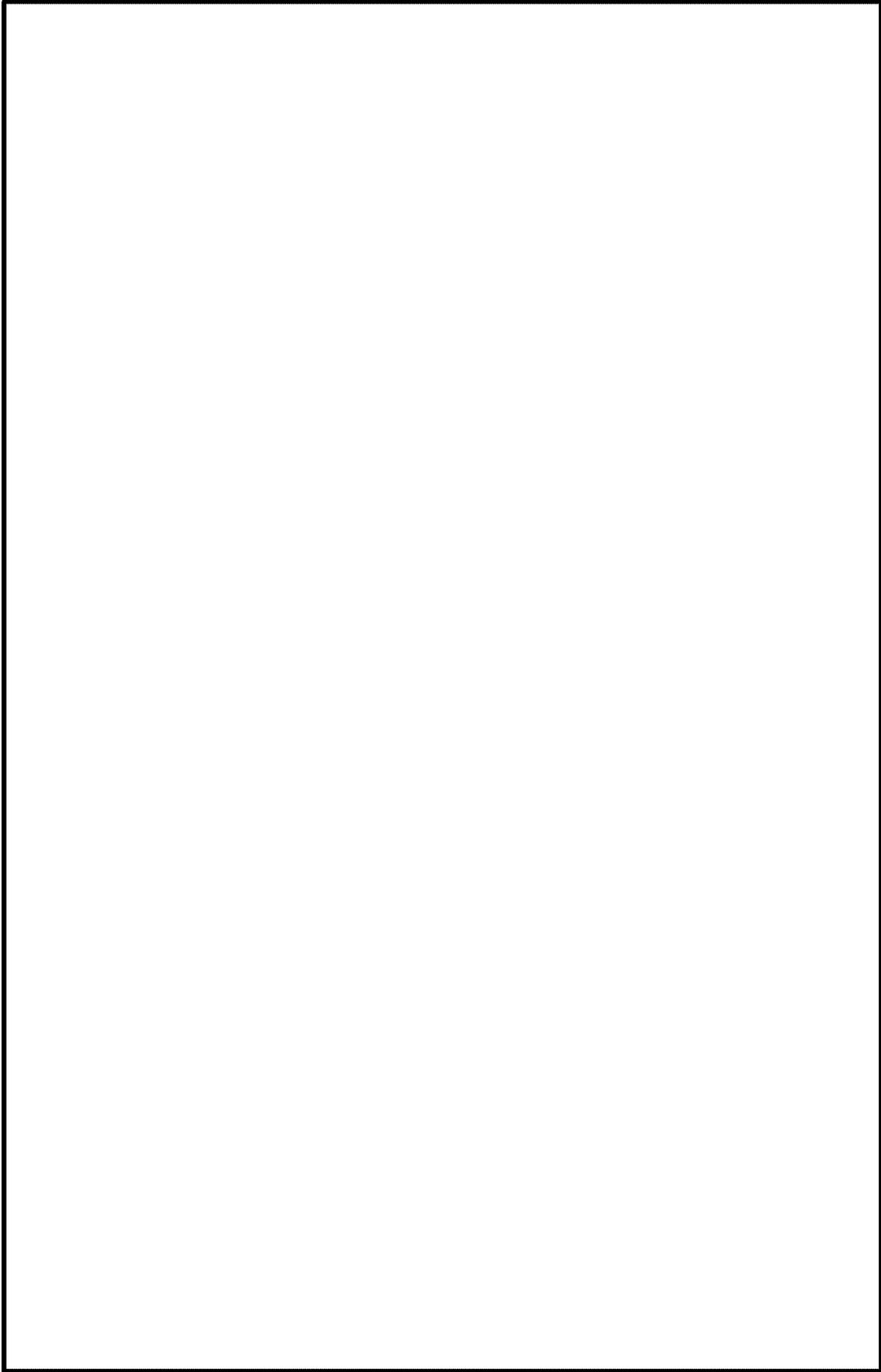


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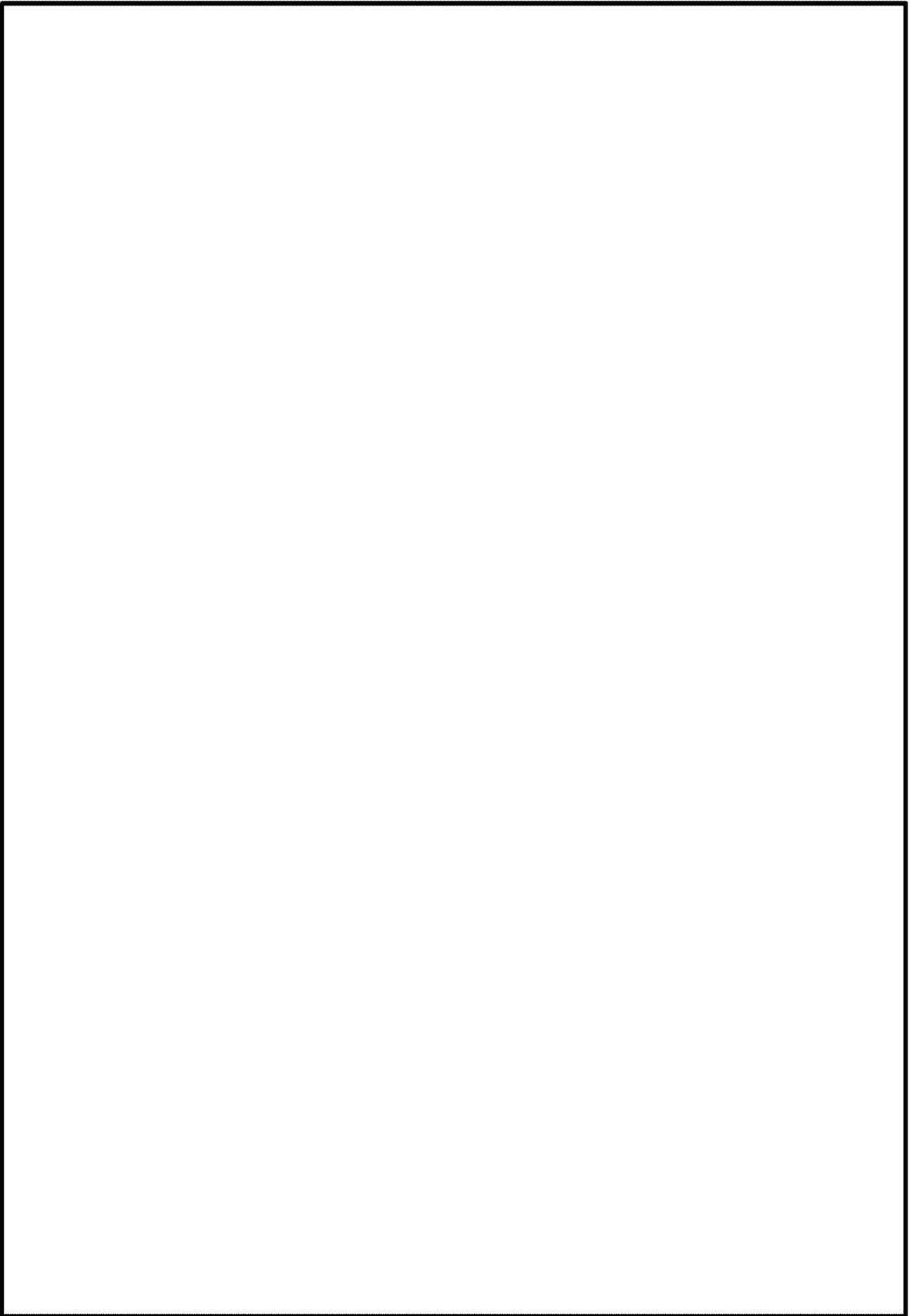
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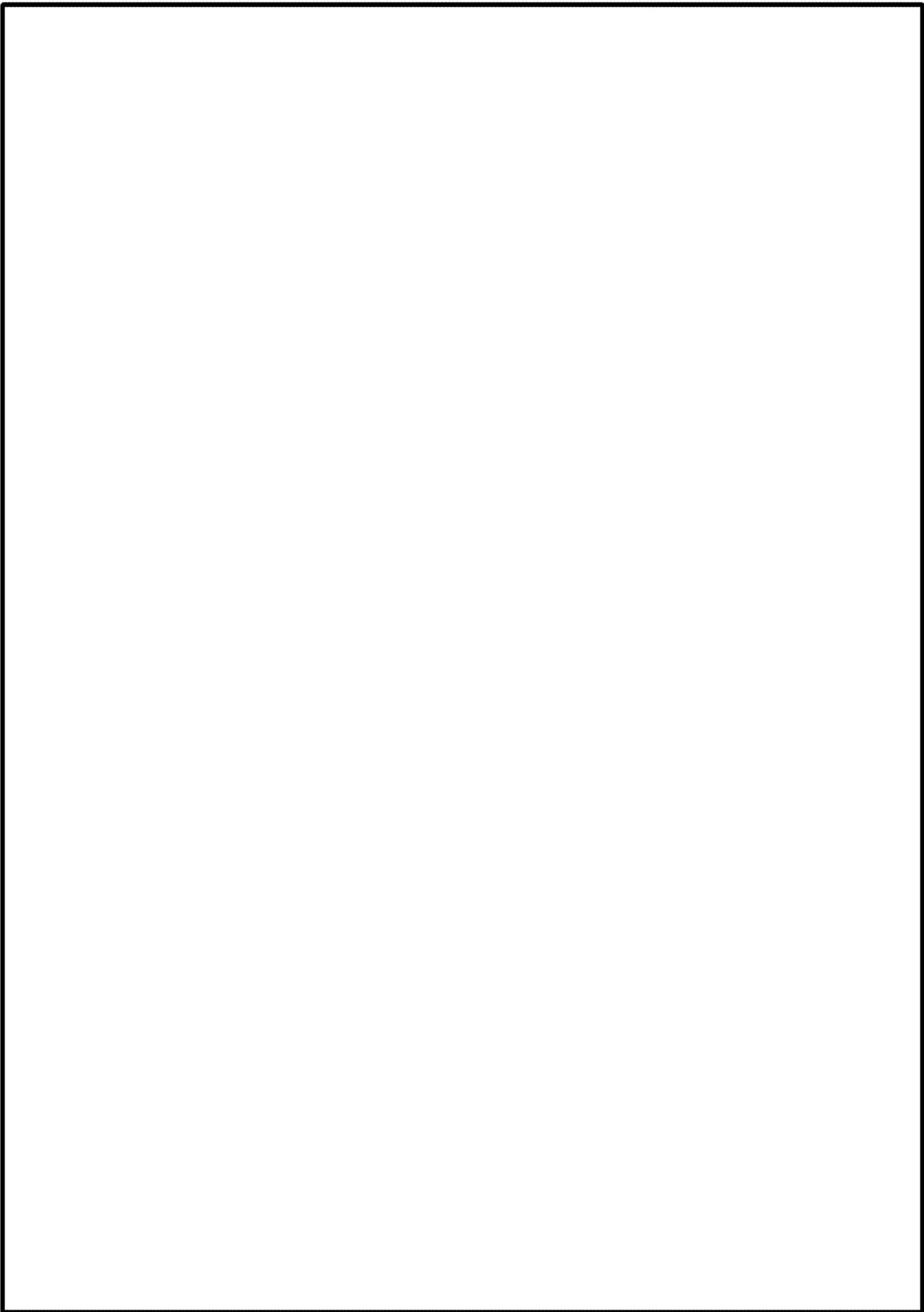
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**17 ARTICLE 17 – ENTIRE AGREEMENT**

This Operating Agreement constitutes the entire understanding between the Members and supersedes

(b)(4) any prior understandings and/or written or oral agreements between them relating to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Members hereto relating to the subject matter of this Operating Agreement which are not fully expressed herein.

18



19 **ARTICLE 19 – GOVERNING LAW**

This Operating Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Operating Agreement, or any matters whatsoever arising out of or in any way connected with this Operating Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

20 **ARTICLE 20 – CAPTIONS**

Any titles or captions contained in this Operating Agreement are for convenience only, and shall not be deemed a part of the text of this Operating Agreement.

21 **ARTICLE 21 – INTERPRETATION**

When the context in which the words used in this Operating Agreement indicate that such is the intent, words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.

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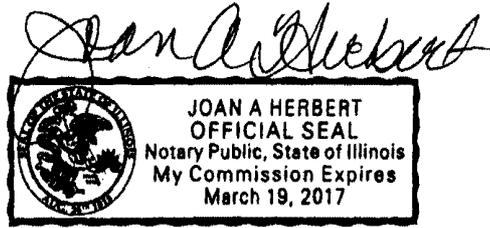
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WITNESS the following signatures and seals:

**Class A Members**

HCE INTL, LLC.

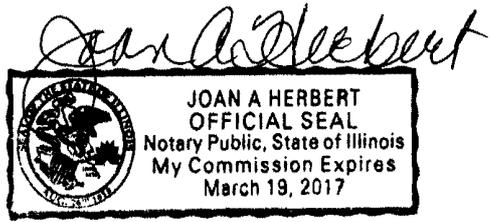
  
\_\_\_\_\_  
David B. Anderson, President & CEO



**Class B Members**

DAVID B. ANDERSON

  
\_\_\_\_\_  
David B. Anderson



**Class C Members**

**EXHIBIT A TO  
OPERATING AGREEMENT OF  
GLRC INVESTMENT FUND II, LLC**

**Class A Members:**

Member Name	Address	Membership Interests
HCE INTL, LLC	20 N. Wacker Drive, Suite 2200, Chicago, IL 60606	[REDACTED] (b)(4)

**Class B Members:**

Member Name	Address	Membership Interests
David B. Anderson	[REDACTED] (b)(6)	[REDACTED] (b)(4)

**Class C Members:**

Member Name	Address	Membership Interests
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## SUBSCRIPTION AGREEMENT OF GLRC INVESTMENT FUND II, LLC

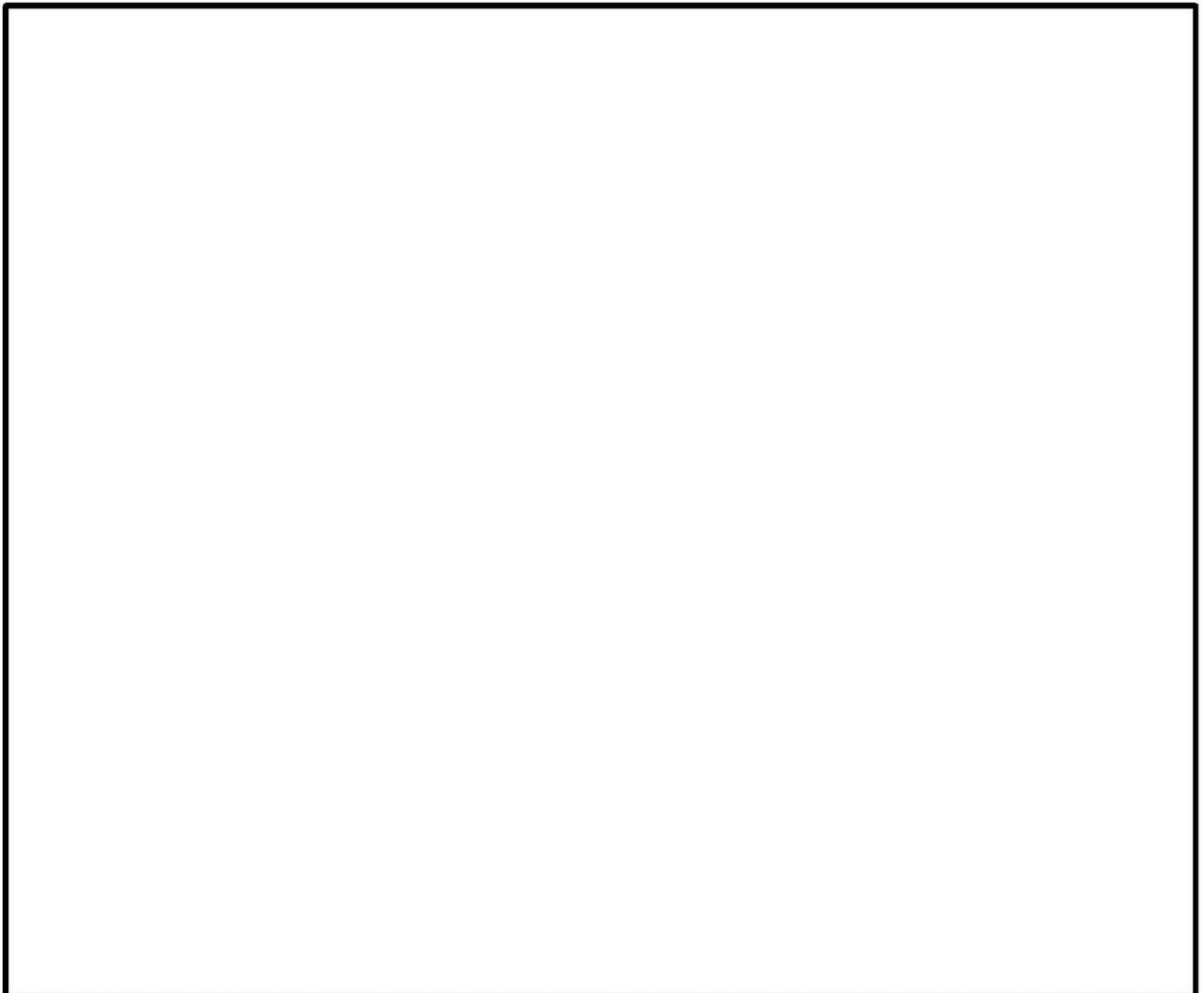
THIS SUBSCRIPTION AGREEMENT (the "Subscription Agreement") is made and entered into between GLRC Investment Fund II, LLC ("GLRC II"), and the person executing this Subscription Agreement as the Subscriber (the "Subscriber").

By executing this Subscription Agreement, the Subscriber acknowledges that he/she understands that GLRC II is relying upon the accuracy of the representations and warranties of Subscriber contained herein in complying with its obligations under applicable United States securities laws. Unless otherwise defined herein, initially capitalized terms used herein have the meaning ascribed to them in the Operating Agreement for GLRC Investment Fund II, LLC (the "Operating Agreement"), which is attached as Exhibit B to GLRC II's Confidential Offering Memorandum dated July 31, 2013, including all exhibits and any supplements (the "Offering Memorandum").

### Acknowledgment

The undersigned hereby acknowledges receipt of a copy of the Offering Memorandum.

(b)(6)





**Acceptance of Operating Agreement**

The Subscriber hereby accepts, adopts and agrees to be bound by each and every provision contained in the Operating Agreement and to become a Class C Member thereunder.

**Governing Law**

This Subscription Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Subscription Agreement, or any matters whatsoever arising out of or in any way connected with this Subscription Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

**Units, Payment and Ownership**

The Subscriber is subscribing to purchase the number of Class C Units specified below at a price of \$5,000.00 per Unit.

Number of Class C Units	100 Class C Units
Price per Class C Unit	\$5,000.00
Amount of enclosed payment:	\$500,000.00

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement as of the date set forth below.

_____	_____	_____
Name of Subscriber (print)	Signature	Date

**ACCEPTANCE OF SUBSCRIPTION**

The foregoing subscription is hereby accepted as to \_\_\_\_\_ Class C Units by the Manager for and on behalf of GLRC Investment Fund II, LLC, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

_____	_____	_____
Name of Manager (print)	Signature	Date

## CAPITAL ESCROW AGREEMENT

THIS CAPITAL ESCROW AGREEMENT (the "Capital Escrow Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between GLRC Investment Fund II, LLC ("GLRC II"), and the person executing this Capital Escrow Agreement as the Investor (the "Investor").

(b)(4)

### RECITALS

1. The Investor desires to acquire [REDACTED] Class C Membership Units (the "Class C Units") in GLRC II.
2. As a condition to admitting the Investor as a Class C Member of GLRC II, the Investor is required to transfer the sum of Five Hundred Thousand Dollars (US \$500,000.00), (the "Subscription Price") to GLRC II.
3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of GLRC II.
4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account") shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
5. GLRC II and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

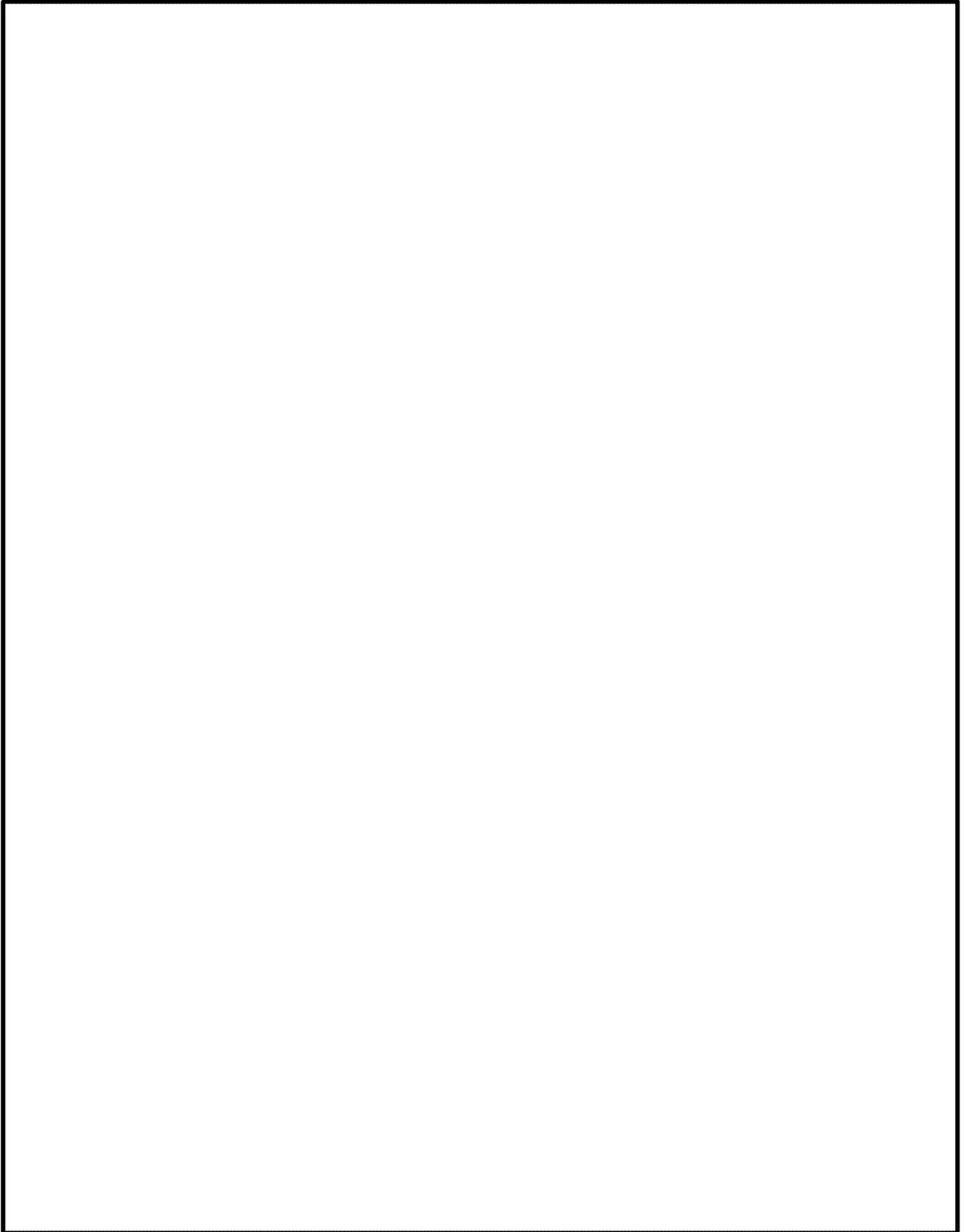
#### **1. Engagement and Duties of the Escrow Agent.**

1.1 GLRC II and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "GLRC Investment Fund II – Capital Investment" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	GLRC Investment Fund II – Capital Investment
For Benefit of:	Investor Name:
Amount:	\$500,000 USD

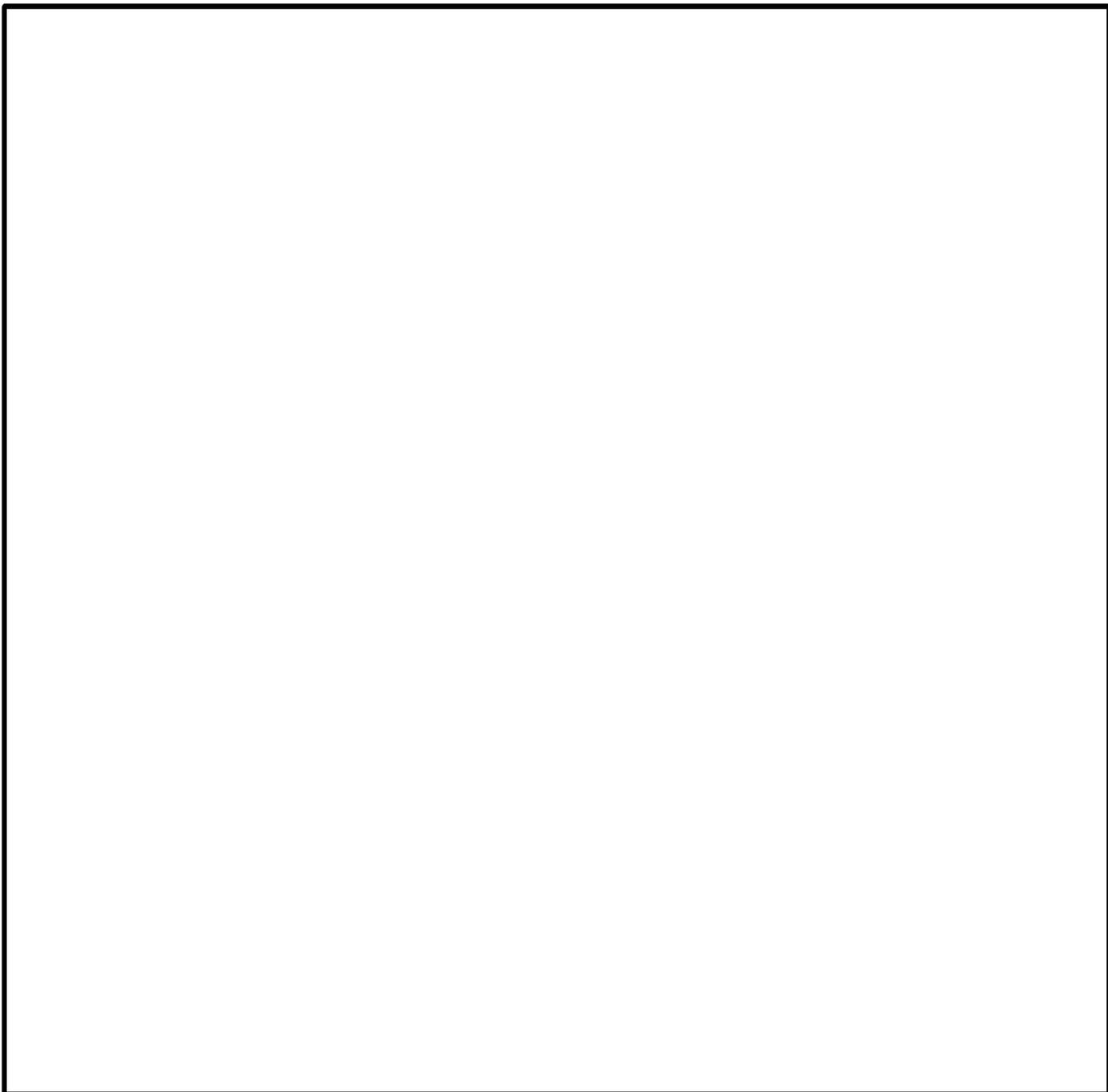
(b)(4) 1.3 The Escrow Agent shall provide to GLRC II, at its request, monthly statements of the Escrow Account and its activity.



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)



(b)(4)



**10. Execution and Counterparts**

10.1 This Capital Escrow Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 GLRC II, the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Capital Escrow Agreement to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**GLRC INVESTMENT FUND II, LLC**

By: \_\_\_\_\_  
David B. Anderson, Manager

**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)

**ESCRW AGREEMENT FOR SERVICE FEES**

**THIS ESCROW AGREEMENT FOR SERVICE FEES** (the "Escrow Agreement for Service Fees") is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between GLRC Investment Fund II, LLC ("GLRC II"), and the person executing this Escrow Agreement for Service Fees as the Investor (the "Investor").

**RECITALS**

1. The Investor desires to acquire [REDACTED] Class C Membership Units (the "Class C Units") in GLRC II.
2. As a condition to admitting the Investor as a Class C Member of GLRC II, the Investor is required to transfer the sum of [REDACTED] the "Service Fees" to GLRC II.
3. Subject to the conditions and rights of return set forth below, the Escrow Account Funds are an irrevocable right of GLRC II.
4. The Escrow Account, held at Chase Bank, NA or "Chase," (the "Escrow Account") shall authorize and require that \_\_\_\_\_ serve as Escrow Agent (the "Escrow Agent") and manage the disposition of Investor's funds.
5. GLRC II and the Investor recognize that the appointment of \_\_\_\_\_ as Escrow Agent, will best serve to protect the interests of the respective parties.

(b)(4)

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and of other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

**1. Engagement and Duties of the Escrow Agent.**

1.1 GLRC II and Investor hereby engage the Escrow Agent to serve as the exclusive agent hereunder and the Escrow Agent hereby accepts such engagement and agrees to receive, hold, deliver, and deal with the funds on the terms and conditions herein set out.

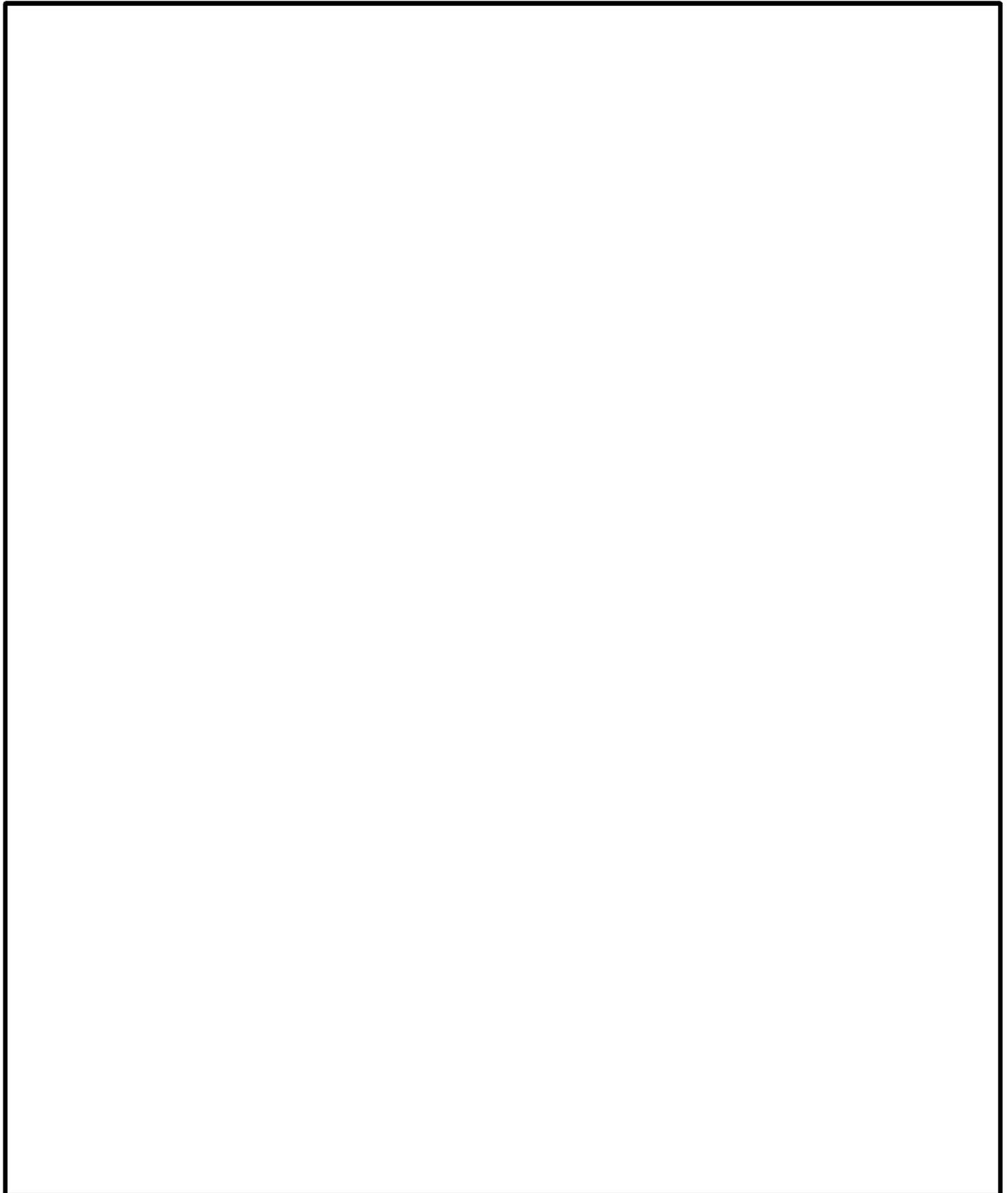
1.2 The Escrow Agent shall receive the funds from the Investor in the form of a wire payable to Chase and reference "GLRC Investment Fund II – Service Fees" as follows:

Credit Bank	Chase (Chicago)
ABA Number:	
SWIFT code	CHASUS33
Credit Account:	
Credit Account Name:	GLRC Investment Fund II – Service Fees
For Benefit of:	Investor Name:
Amount:	[REDACTED] USD

(b)(4)

1.3 The Escrow Agent shall provide to GLRC II, at its request, monthly statements of the Escrow Account and its activity.

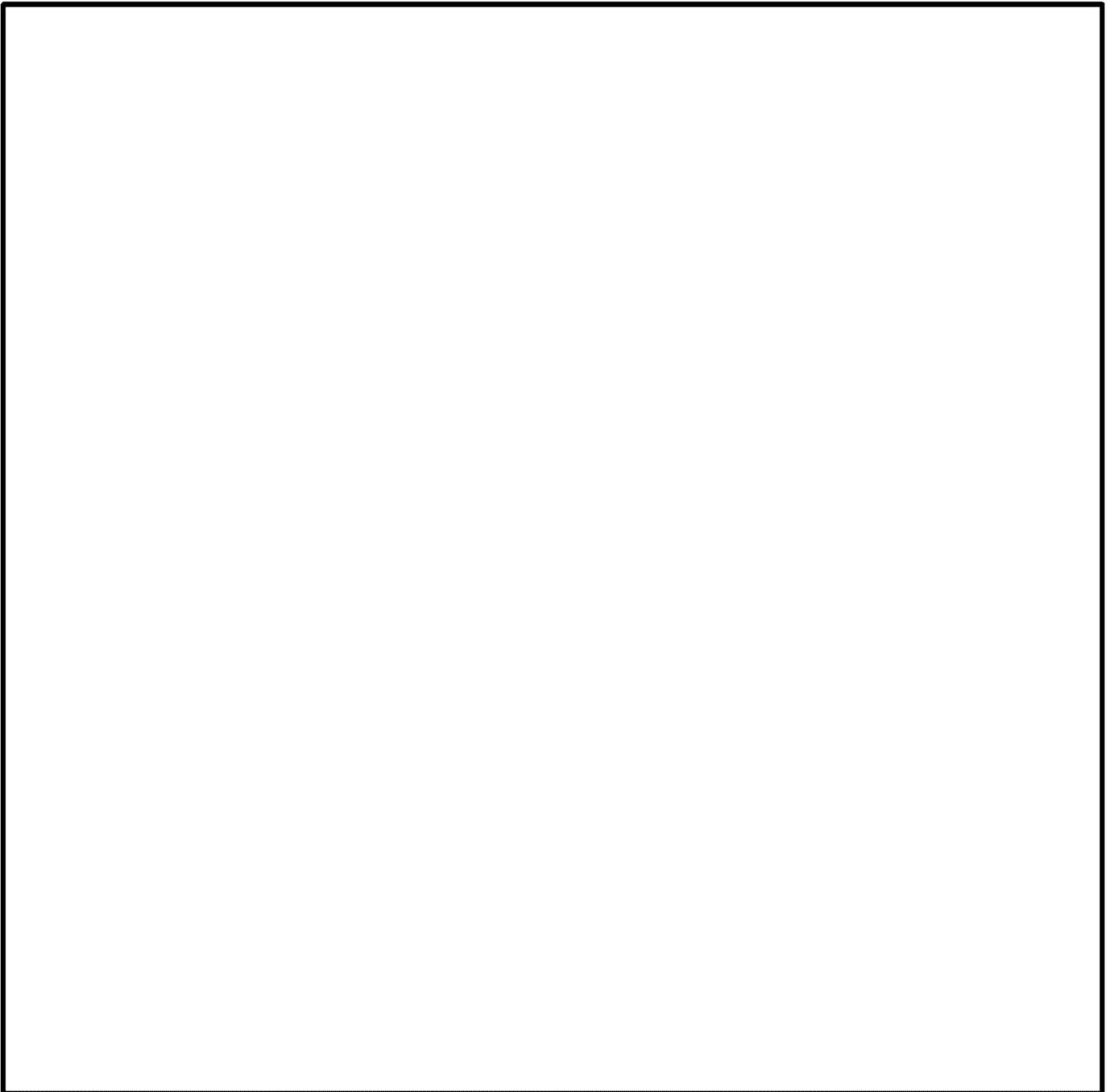
(b)(4) 1.4 While funds are held in Escrow, the Escrow Agent will allow Chase to invest the funds in short-term certificates of deposit as to be determined by Escrow Agent.



**5. Governing Law**

This Agreement is made in, and shall be governed by, construed and enforced in accordance with, the laws of the State of Illinois. Each party hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Illinois and the United States of America located in the County of Cook, State of Illinois, U.S.A. which courts shall be the exclusive forum for any actions, suits or other legal proceedings relating to the terms, covenants or conditions of this Agreement, or any matters whatsoever arising out of or in any way connected with this Agreement and the transactions contemplated hereunder, and each party hereto irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b)(4)





(b)(4)

**10. Execution and Counterparts**

10.1 This Escrow Agreement for Service Fees may be executed in two or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document.

10.2 GLRC II, the Investor, and the Escrow Agent covenant that they will execute and exchange hard copies of the same at a mutually convenient time.

**IN WITNESS WHEREOF**, the undersigned have caused this Escrow Agreement for Service Fees to be executed as of the date first above written.

**ESCROW AGENT:**

By: \_\_\_\_\_

**GLRC INVESTMENT FUND II, LLC**

By: \_\_\_\_\_  
David B. Anderson, Manager

**INVESTOR:**

By: \_\_\_\_\_  
(Signature of Investor)

\_\_\_\_\_  
(Print Name of Investor)

**CONFIDENTIAL OFFERING MEMORANDUM**

**GLRC INVESTMENT FUND II, LLC**  
(A State of Illinois Limited Liability Company)

(b)(4) [Redacted] Units of Limited Liability Company Interests ("Units")  
Offered at U.S. [Redacted] per Unit  
Minimum Investment - [Redacted] Units

(b)(4) **GLRC INVESTMENT FUND II, LLC**, a State of Illinois Limited Liability Company ("GLRC II"), is offering to sell on a "best efforts" basis up to [Redacted] units of Class C membership interests (the "Class C Units") to qualified purchasers (the "Investors") at a subscription price of [Redacted] per Unit (the "Subscription Price"). The Class C Units shall be offered to foreign investors who are seeking permanent resident immigrant status under the employment creation immigrant investor provisions of the U.S. immigration laws. See "Who May Invest". The Class C Units will not be offered in the United States or to U.S. persons. A minimum purchase of [Redacted] Units is required.

GLRC II may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC II may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois. GLRC II intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC II shall assist those investors and their attorneys in connection with the application process by providing the necessary information regarding GLRC II and its business.

(b)(4) OFFERING PRICE <sup>(1)</sup>	ORGANIZATIONAL AND OFFERING EXPENSES	PROCEEDS TO GLRC II <sup>(2)</sup>
Per Unit		
Maximum Offering Amount (400 Units)		

<sup>(1)</sup> The price of the Class C Units was arbitrarily determined and bears no relationship to the assets of GLRC II, book value, or any other recognized criterion of value.

<sup>(2)</sup> Net proceeds from the sale of the Class C Units shall, in their entirety be invested in GLRC II in order to generate sufficient jobs to qualify the investment for foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. No Organizational and Offering Expenses shall be deducted from the net proceeds of the sale of the Class C Units. See "Estimated Use of Proceeds."

**THE DATE OF THIS MEMORANDUM IS August 1, 2013**

## **NOT TO PROSPECTIVE INVESTORS**

This Confidential Offering Memorandum (the "Offering Memorandum") has been prepared for distribution to a limited number of eligible persons ("Prospective Investors") for their confidential use and information in evaluating an investment in the Class C Units. This Offering Memorandum shall not constitute an offer unless the name of the Prospective Investor and memorandum number appear in the spaces set forth on the top of the cover page of the Offering Memorandum. Delivery of this Offering Memorandum or any other documents or information furnished to an investor to anyone other than the person whose name appears on the cover page is unauthorized. Any reproduction of this Offering Memorandum or other documents or any divulgence of the contents thereof without the prior written consent of the Manager is prohibited. As you read the Offering Memorandum, please note the following important facts:

**THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE UNITS ARE BEING OFFERED PURSUANT TO THE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS PROVIDED UNDER REGULATIONS FOR FOREIGN OFFERINGS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES COMMISSION ("SEC") OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY. NOR HAS THE SEC OR ANY OTHER REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THE OFFERING AND SALE OF THE UNITS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF THE TERRITORY OF HONG KONG, THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, TAIWAN, KOREA OR ANY OTHER COUNTRY.**

No offering literature or advertising in whatever form will or may be employed in the offering of the Class C Units except for statements contained in this Offering Memorandum or a summary hereof or documents summarized herein, and information provided by the principals of GLRC II in response to questions by a Prospective Investor. No person has been authorized to make any representations or give any information inconsistent with the information contained or referred to herein. If made, such representations or information may not be relied upon.

The Class C Units involve significant risks and should be purchased only by persons who can afford to lose their entire investment. See "Risk Factors" and "Who May Invest." The Class C Units are illiquid and subject to several restrictions on transfer.

Prospective Investors are not to construe the contents of this Offering Memorandum as legal, tax or investment advice. Each Prospective Investor should consult his own attorney, accountant and business advisor as to legal, tax and related matters concerning an investment in the Class C Units.

The information contained herein has been obtained from sources deemed reliable but no representation or warranty is made to its accuracy or completeness. This Offering Memorandum is made as of the date set forth on the cover page. Neither the delivery of this Offering Memorandum nor any sales of Units made pursuant hereto shall, under any circumstances, create any implication that there has been no change in the affairs of GLRC II since the date hereof, or that the information contained herein is correct as of any time subsequent to the date of this memorandum.

Forecasts are contained in this Offering Memorandum. Any predictions and representations, written or oral, which do not conform to those contained in this Offering Memorandum, shall not be permitted. Forecasts represent a mere prediction of future events based on assumptions which may or may not occur and may not be relied upon to indicate the actual results which will be obtained.

This Memorandum is not an offer to sell or a solicitation of an offer to purchase any of the Class C Units. Offers or invitations to invest can only be made by the Manager. This Memorandum is not an offer or solicitation in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Nor is it an offer to any person who does not satisfy the investor suitability requirements set forth herein.

Although the Manager believes that this Offering Memorandum contains a fair summary of the material terms of all documents purported to be summarized herein, Prospective Investors are urged to refer to the actual documents for complete information concerning the rights and obligations of the parties to such documents. Copies of such documents are attached to this Offering Memorandum as Exhibits or are available upon request from GLRC II. All summaries are qualified in their entirety by this reference to the actual documents.

Prospective investors are urged and invited to ask questions of and to obtain additional information from the Manager concerning the terms and conditions of the offering, GLRC II and its proposed business and any other relevant matters (including but not limited to additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense.

Prospective investors having questions or desiring additional information should contact GLRC II at 312-965-5979.

### **WHO MAY INVEST**

GLRC II intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act. The Class C Units will be offered and sold outside of the United States to individuals who are "non-U.S. Persons" (as defined below) and who meet the investor suitability standards described below. Investment in the Class C Units is suitable only for individuals of substantial means who have no need for liquidity with regard to this investment. The Class C

Units will be non-transferable for several years, and there is no public market for the Class C Units. Investment in the Class C Units involves significant risks, and no assurance can be given that GLRC II will realize its financial objectives. See "Risk Factors." Each Prospective Investor is urged to consult his own business and tax advisors before investing in the Class C Units.

### **Non-U.S. Persons**

GLRC II intends to offer the Class C Units to "non-U.S. Persons" outside of the United States. The offering of the Class C Units is not being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the foreign offering exemption set forth in Regulation S. Under Regulation S, the Class C Units must be offered and sold outside of the United States and to non-U.S. Persons only.

The term "U.S. Person" means:

- (i) any natural person resident in the United States; or
- (ii) any partnership or corporation organized or incorporated under the laws of the United States.

### **Accredited Investors**

GLRC II intends to limit the offering to individuals who qualify as "accredited investors," as such term is defined in Regulation D promulgated under the Securities Act. The term "accredited investor" means any person who falls within one of the following categories, or whom the Manager reasonably believe falls within either one of the following categories at the time of the sale of the Class C Units to that person:

- (a) Any person whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase exceeds \$1,000,000; or
- (b) Any natural person who had an individual income of more than \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of meeting the same income level in the current year.

The Manager may, in their sole discretion, waive this requirement with respect to certain Investors whom they believe are otherwise financially suitable.

### **Representations By All Investors**

Each Subscriber, as defined in the Subscription Agreement (the "Subscription Agreement") a form of which is attached hereto as Exhibit A, for the Class C Units will be required to acknowledge and represent that:

- (1) The Subscriber is an individual over the age of 21 and is not a resident of the United States of America.

- (2) The Class C Units were offered to the Subscriber outside of the United States. The offer and sale of the Class C Units occurred outside of the United States and the Class C Units may only be offered to non-U.S. persons. The Subscriber is not a U.S. person and is not acquiring the Class C Units for the account or benefit of any U.S. Person.
- (3) The Subscriber is an "accredited investor" as defined in Regulation D. The Subscriber is able to bear the economic risk of the investment and the Subscriber has such knowledge and experience in financial and business matters that the Subscriber is capable either on his own or together with his advisors and representatives of evaluating the merits and risks of investing in GLRC II as a Class C Member.
- (4) In evaluating the merits and risks of an investment in the Class C Units, the Subscriber has relied upon the advice of his own personal tax and legal counsel.
- (5) Prior to the purchase of the Class C Units, GLRC II afforded him and his advisors full and complete access to all information with respect to GLRC II, the Manager and GLRC II's proposed activities that he and his advisors deemed necessary in order to evaluate the merits and risks of an investment, to the extent that information was possessed or could be acquired by GLRC II without unreasonable effort or expense.
- (6) The Class C Units he is offering to purchase will be purchased solely for his account for investment purposes only, and not with the view to, or for resale in connection with, any redistribution thereof.

The Manager reserves the right to refuse to sell the Class C Units to any person if, in his sole discretion, the Prospective Investor offering to purchase the Class C Units does not meet one or more of the suitability criteria, including the financial suitability criteria. The Manager may, in his sole discretion, waive the financial suitability requirements with respect to certain Prospective Investors whom he believes are otherwise suitable.

## **SUMMARY OF THE OFFERING**

THIS SUMMARY IS INTENDED ONLY FOR QUICK REFERENCE AND IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS MEMORANDUM AND IN THE EXHIBITS ATTACHED HERETO. ALL INITIALLY CAPITALIZED TERMS USED IN THIS SUMMARY SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE OTHER PORTIONS OF THIS MEMORANDUM.

### **GLRC II**

GLRC II is a State of Illinois Limited Liability Company formed on July 31, 2013. David B. Anderson is the Manager (the "Manager"). The Manager is responsible for managing the business and affairs of GLRC II. The Members of GLRC II are HCE INTL, LLC and David B. Anderson. GLRC II is authorized to admit up to seven (7) investors as Class C Members in connection with the offering.

GLRC II may transact any or all lawful business for which Limited Liability Companies may be organized under the Illinois Limited Liability Company Act. GLRC II may also, in the discretion of the Manager, engage in any other business or lawful activity permitted under the laws of the State of Illinois.

GLRC II intends to offer the Class C Units to foreign investors who are seeking immigrant status under the employment creation immigrant investor provisions of the U.S. Immigration and Nationality Act and to generate sufficient jobs to qualify such investors for permanent residence in the United States. GLRC II shall assist those investors and their attorney in connection with the application process by providing the necessary information regarding GLRC II and its business.

### Company Investment Objectives

The primary investment objectives of GLRC II are to: (i) preserve and protect GLRC II's capital; and (ii) generate net operating profits from operations.

### Operating Agreement

GLRC II shall be governed by the Operating Agreement (the "Operating Agreement") attached hereto as Exhibit B.

### The Offering

(b)(4)

GLRC II is offering [redacted] units of Class C Membership interests ("Units") at a subscription price of [redacted] per Unit. The Class C Units are being offered on a "best efforts" basis to qualified foreign investors pursuant to the foreign offering exemption set forth in SEC Regulation S. See "Who May Invest." Each Investor must purchase at least [redacted] Units. The entire Subscription Price must be paid by certified cashier's check or wire transfer at the time of subscription.



## Immigrant Investor Applications

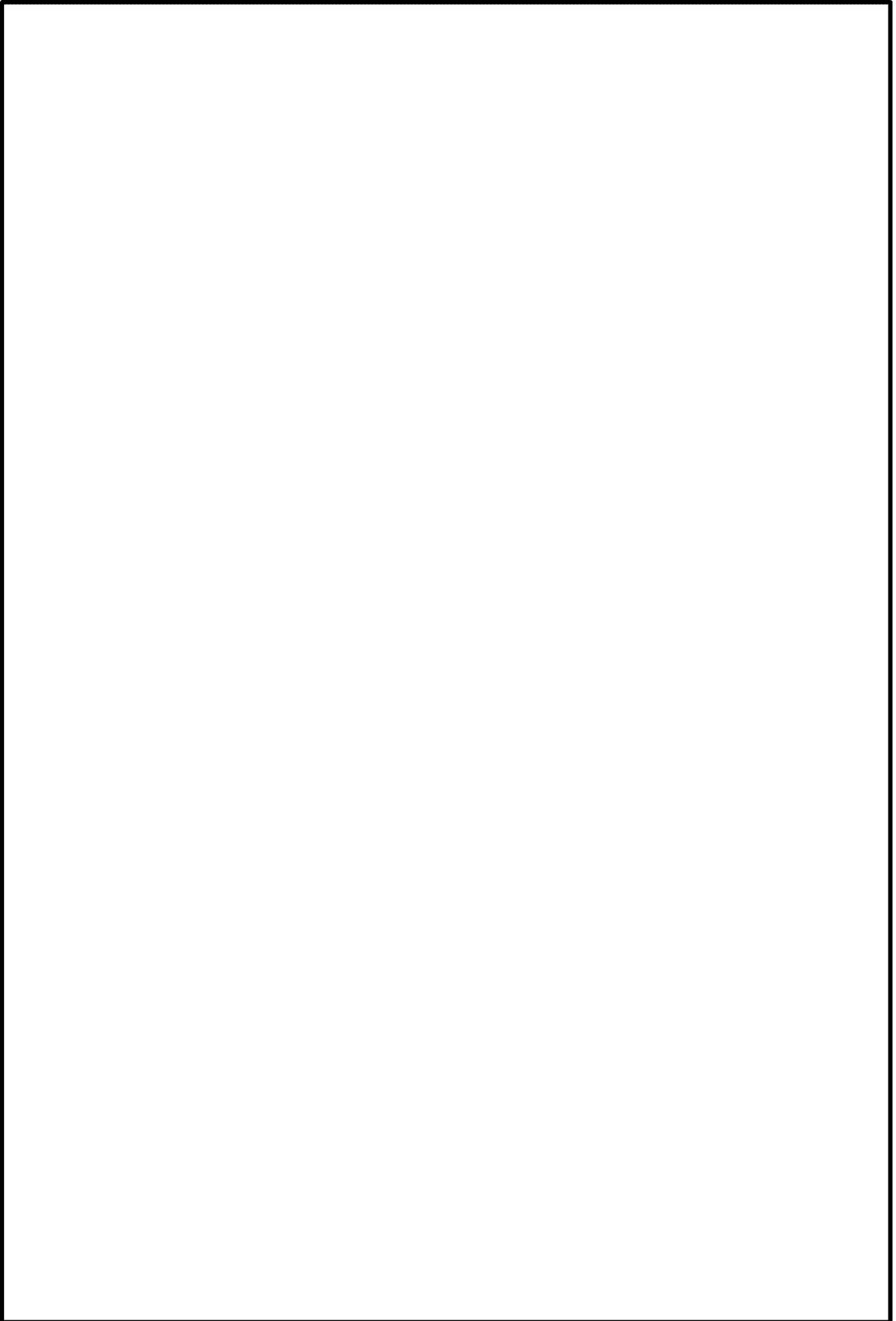
The offering has been structured to maximize the possibility that investors can satisfy the requirements of the employment creation immigrant investor provisions of the Program. Under the Program, foreign investors who qualify as an "employment creation immigrant investor" may become eligible to apply with their spouses and unmarried minor children for admission to the United States as conditional permanent residents and later qualify for legal permanent residence status.

GLRC II shall support the investor's filing of the Investor's Form I-526 Immigration Petition by Alien Entrepreneur (the "I-526 Petition") and the Investor's Form I-829 Petition by Entrepreneur to Remove Conditions (the "I-829 Petition") with the United States Citizenship & Immigration Service ("USCIS").

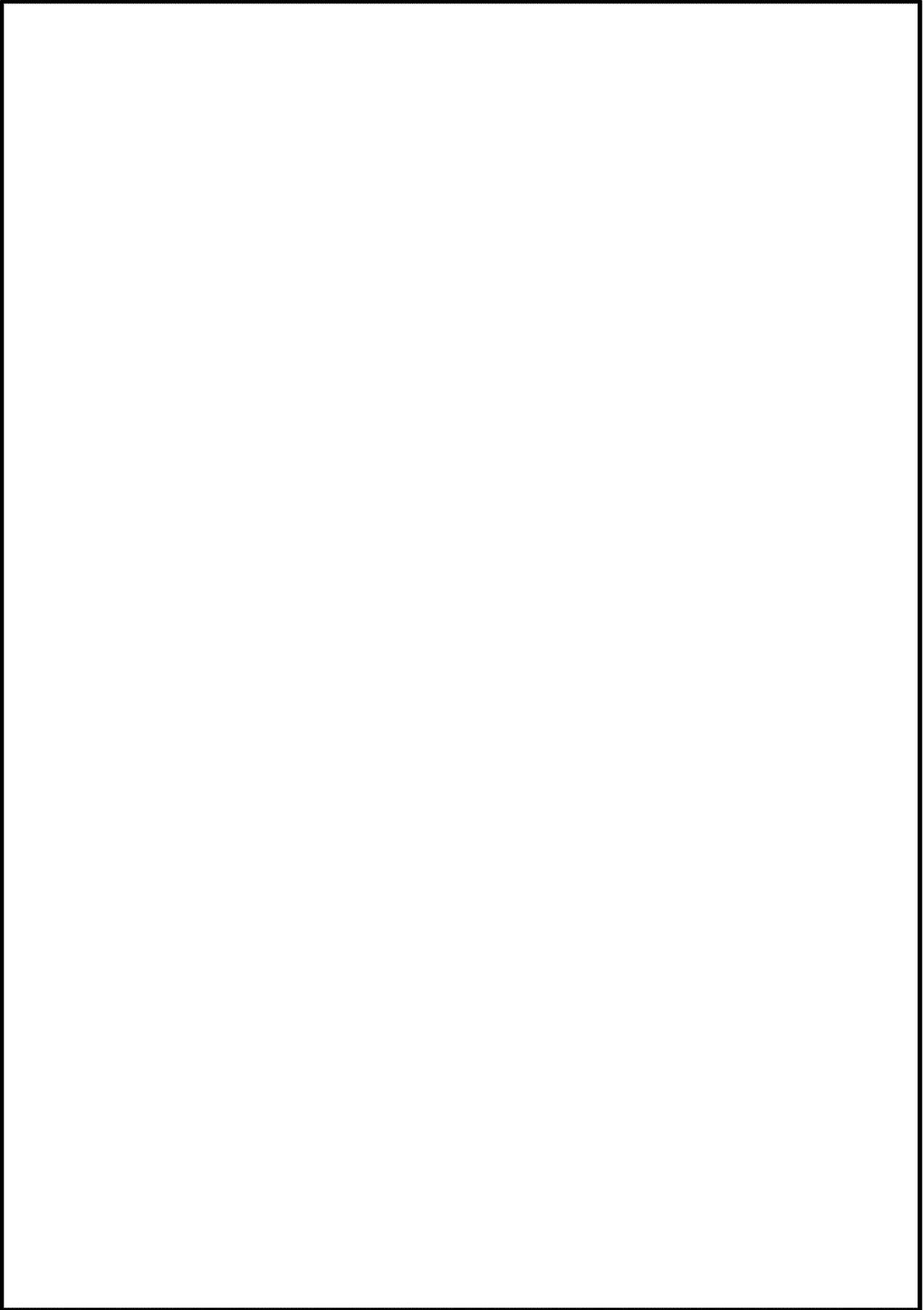
GLRC II will not provide legal services to Investors in filing for legal permanent residence. Investors should hire and retain an attorney of their own choosing. Investors are urged to retain an attorney who is experienced in immigration matters.

(b)(4)

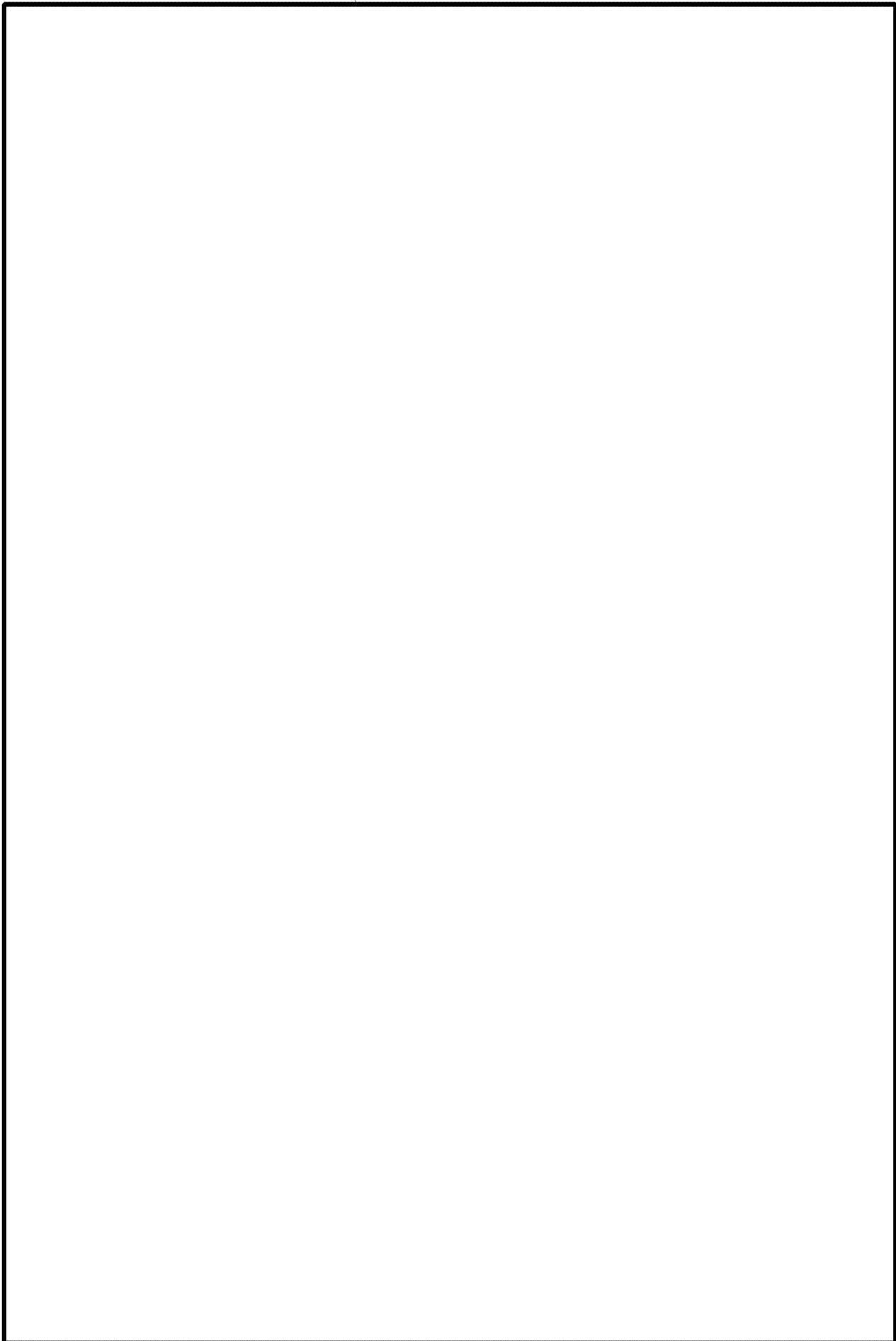
(b)(4)



(b)(4)



(b)(4)



following the Initial Closing, GLRC II will be unable to sell more Class C Units and that GLRC II will have less equity capitalization from Investors than is anticipated.

### **Immigration Risks**

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of GLRC II. These include the Investor's past history and quotas established by the USCIS limiting the number of visas granted to investors in a single year. Although GLRC II has been structured so that each Class C Member may qualify for permanent residency under the Program, no assurance can be given that each investor will obtain approval of his particular I-526 Petition.

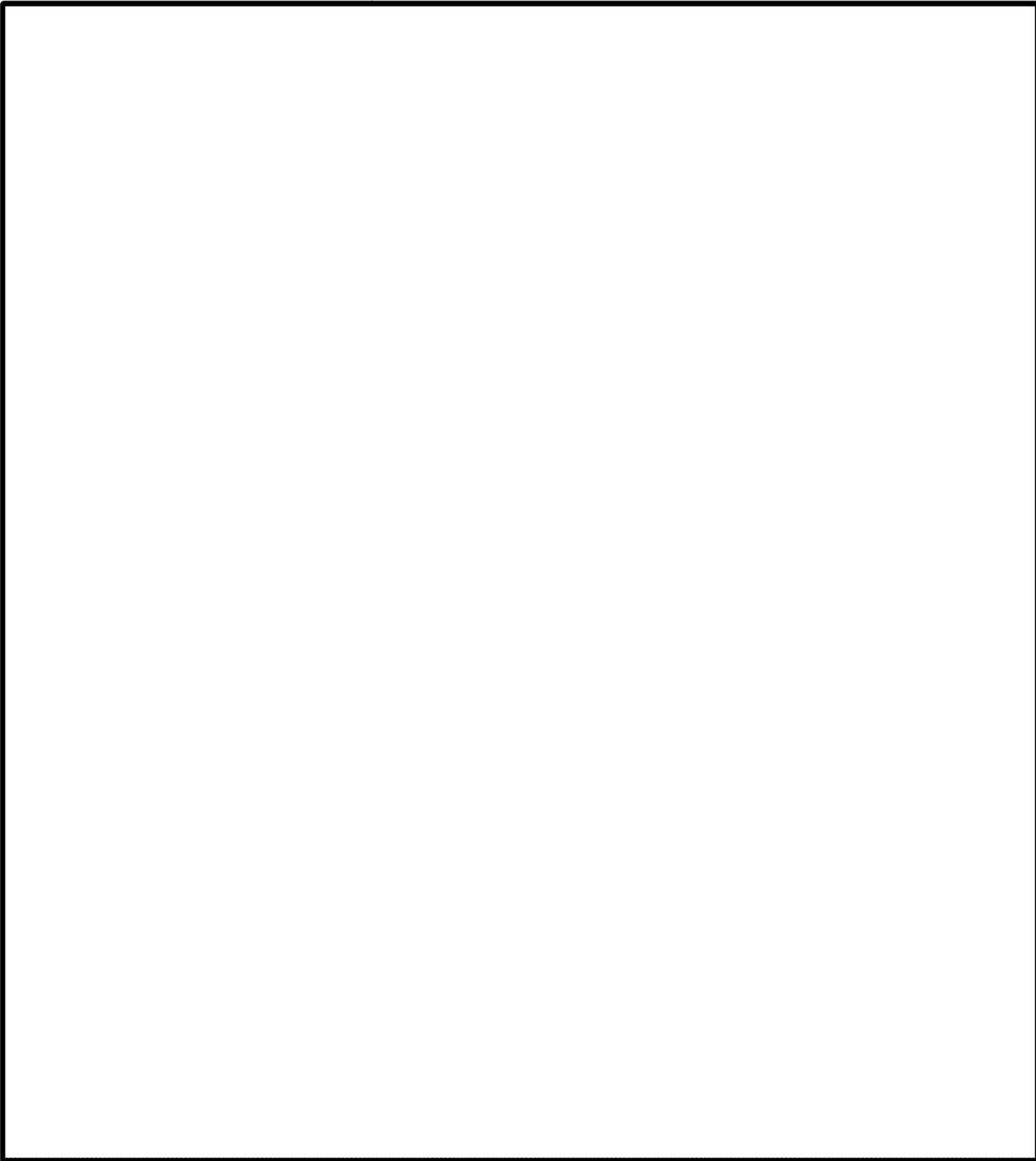
Each Prospective Investor should consult competent immigration counsel to review the likelihood that the Investor's I-526 Petition will be granted.

(b)(4)

### **CONFLICTS OF INTEREST**



(b)(4)



**MANAGER'S FIDUCIARY RESPONSIBILITY**

(b)(4)



(b)(4)



*Appendix B – GLRC II Financials*

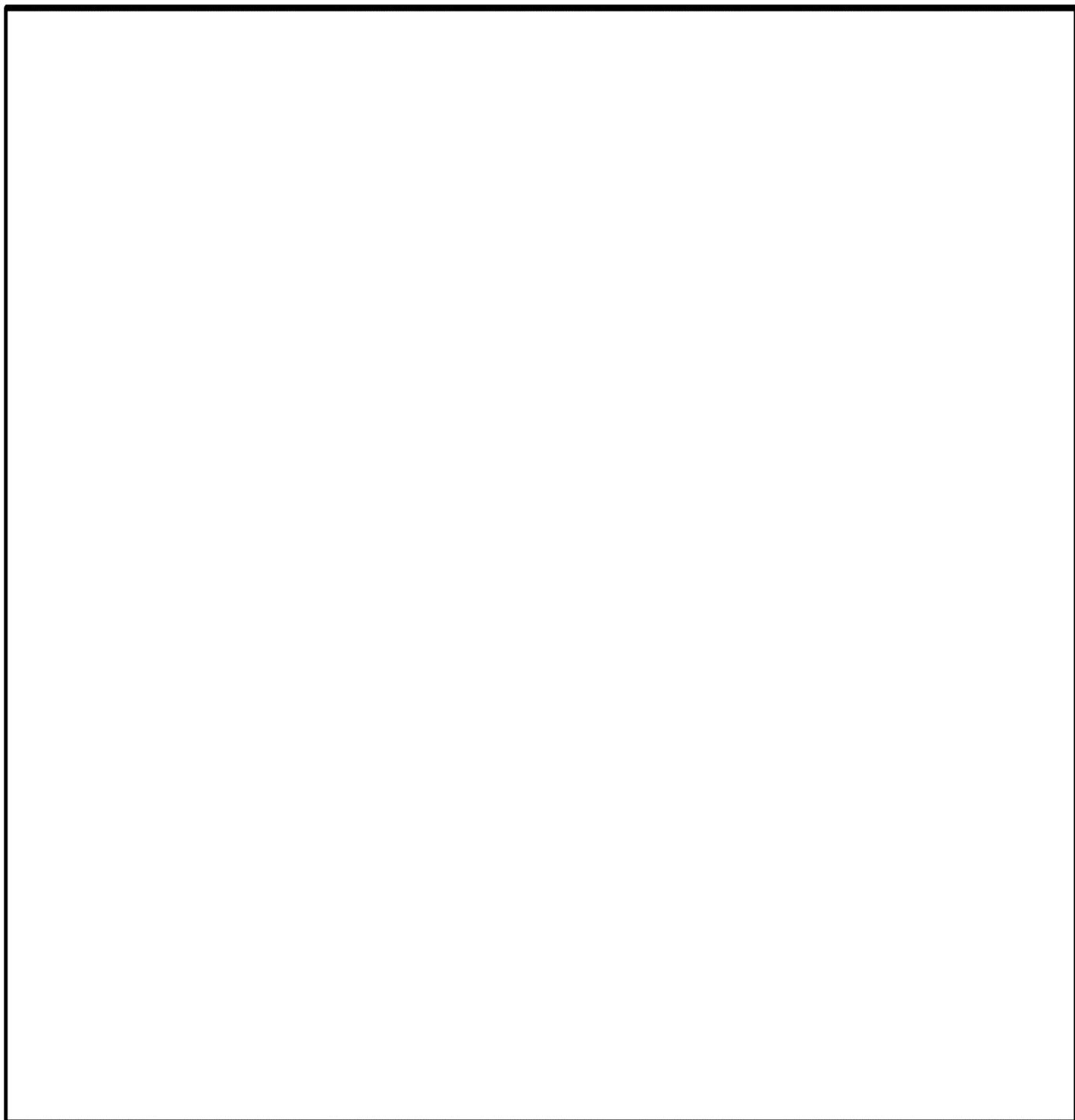
GLRC INVESTMENT FUND II, LLC - FINANCIAL PROJECTIONS

(b)(4)



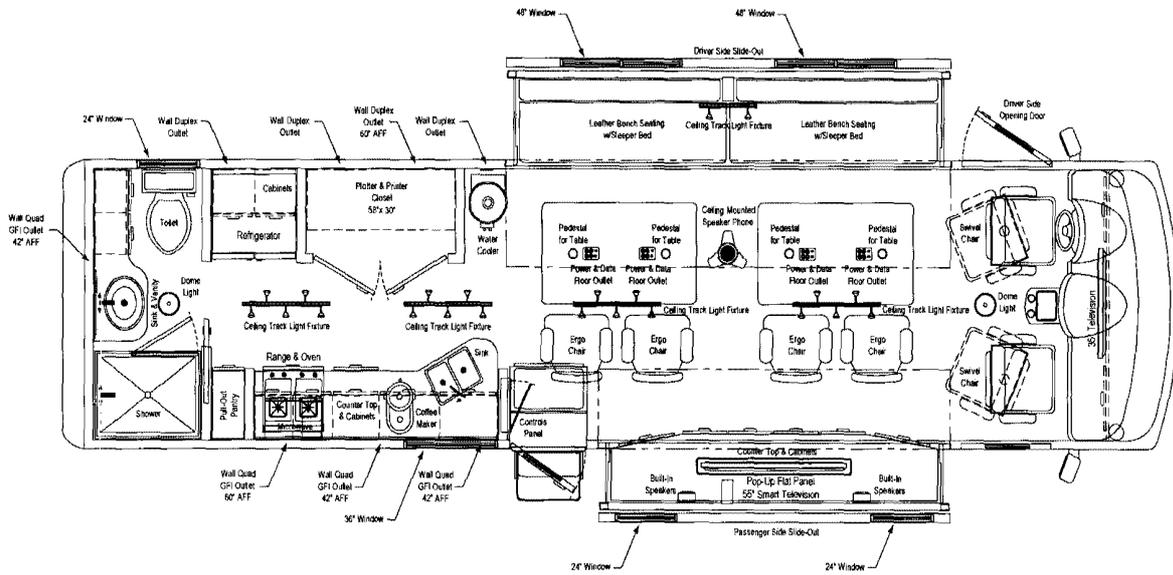
(b)(4)

GLRC INVESTMENT FUND II, LLC - FINANCIAL PROJECTIONS

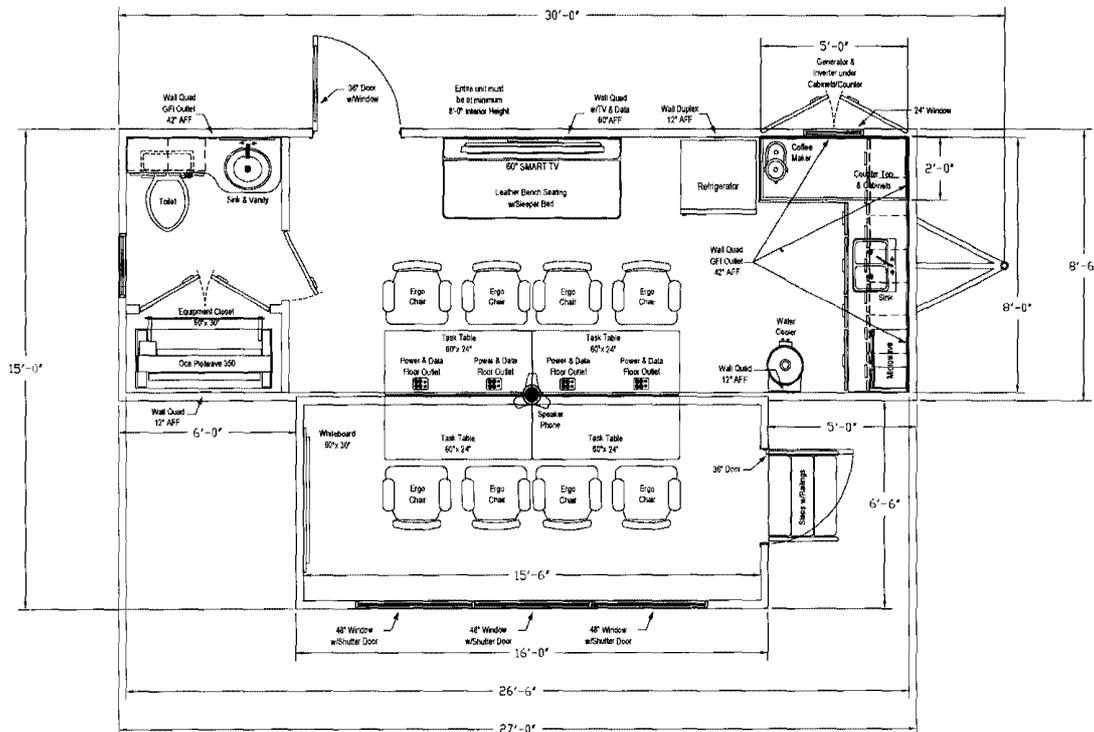


Appendix C – Dynamic BIM Illustrations

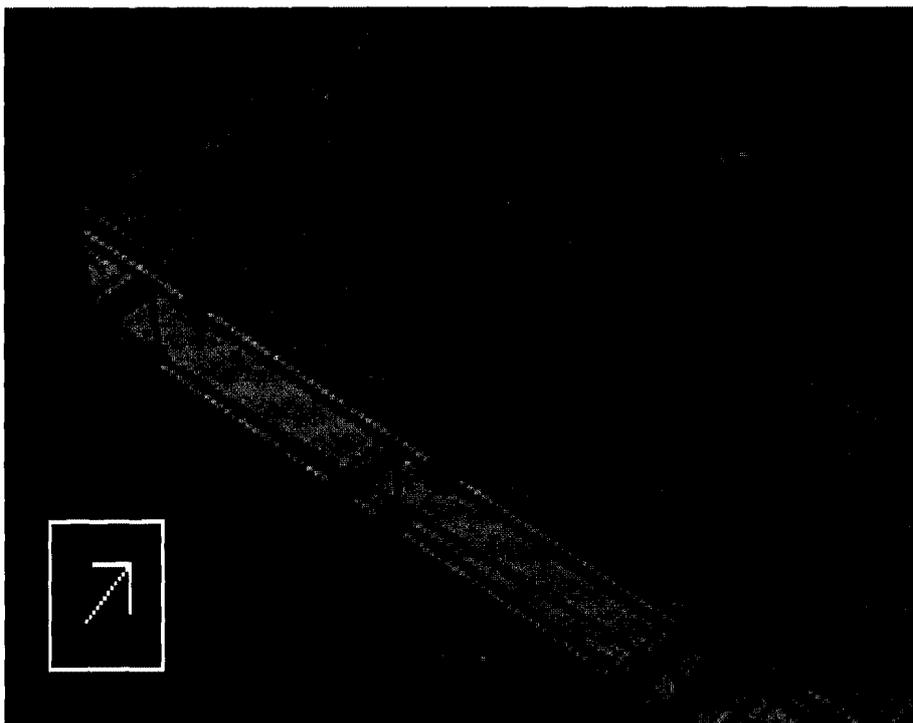
Mobile BIM facility - recreational vehicle conversion



Mobile BIM facility – trailer conversion



Sample Images of BIM and CAD produced with Advanced Software Tools



*Appendix D – Project Company Financials*

(b)(4)

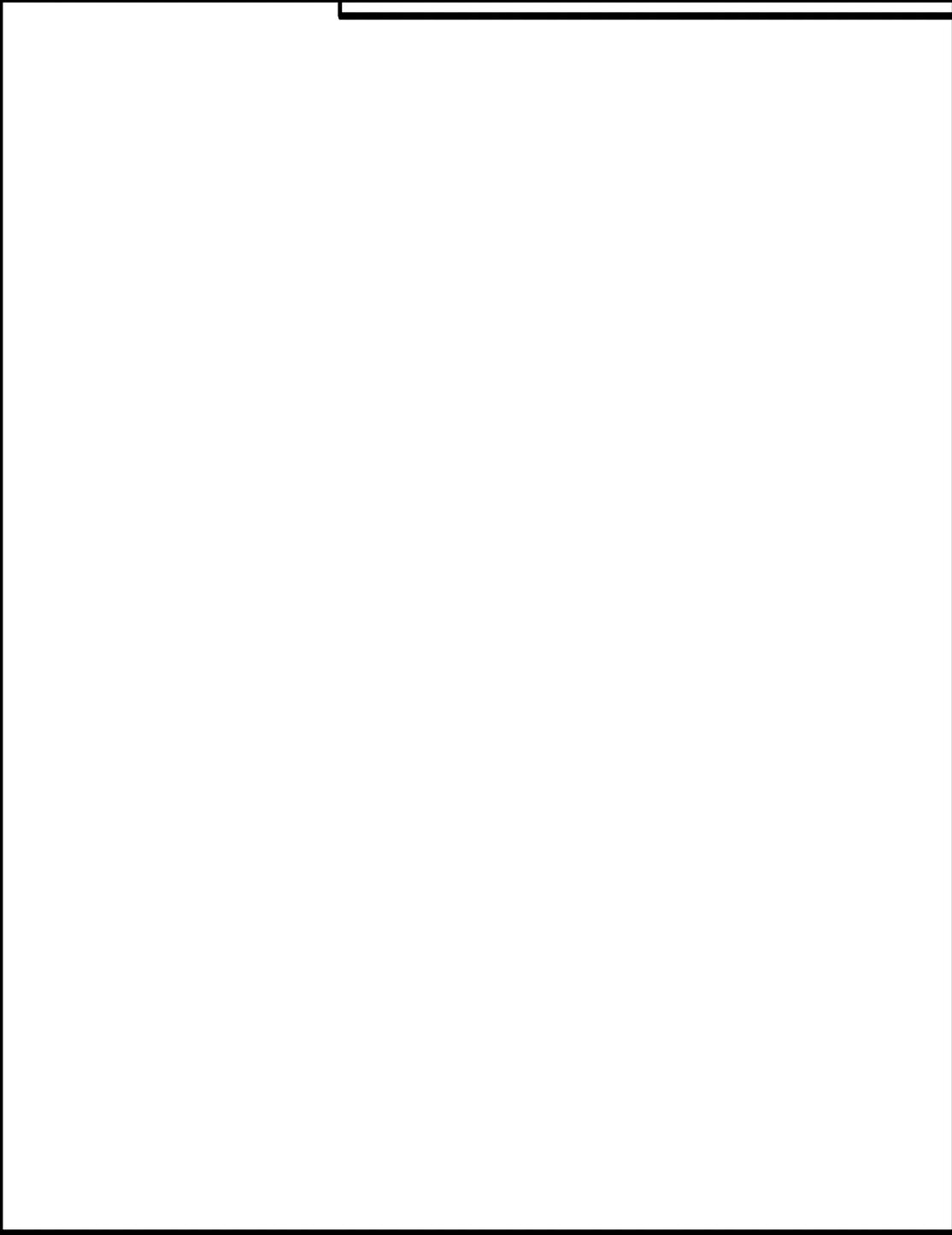
**CASH FLOWS**



(b)(4)



REVENUE



(b)(4)



EXPENSES



# Business Plan



*This document contains confidential and proprietary information belonging exclusively to Sterling Energy Group, Inc.*

*This is a business plan. It does not imply an offering of securities.*

gms

**Table of Contents**

Table of Contents..... 2

Section 1 • Executive Summary..... 3

    Section 1.1 Project Company..... 3

    Section 1.2 Specific Industry Focus..... 3

    Section 1.3 Geographic Location ..... 3

    Section 1.4 Project Company Contacts..... 3

    Section 1.5 Financing ..... 3

Section 2 • Gary Machine Shop and Sterling Energy Group, Inc..... 4

    Section 2.1 Company Overview ..... 4

    Section 2.2 Business Model ..... 9

    Section 2.3 Operating Assumptions..... 9

    Section 2.4 Market and Demographics..... 9

    Section 2.5 Competitors ..... 12

    Section 2.6 Source and Use of Funds..... 12

    Section 2.7 Financial Highlights ..... 13

    Section 2.8 Job Creation Information ..... 14

    Section 2.9 Project Timeline ..... 16

Section 3 • Investment Structure ..... 17

    Section 3.1 LLC Structure and Investor Safety..... 17

    Section 3.2 Qualification Points – EB-5 Investment Designation ..... 17

    Section 3.3 Investment Program Summary..... 17

    Section 3.4 Active vs. Passive Investment ..... 18

    Section 3.5 Company Privacy Policy ..... 19

    Section 3.6 Exit Strategy Options..... 19

    Section 3.7 Application Process ..... 19

    Section 3.8 Investor Tax Considerations..... 20

Section 4 • Administration and Documentation ..... 20

    Section 4.1 Investor Qualifications and Credits..... 20

    Section 4.2 Investor Information Requirements ..... 20

    Section 4.3 Sources of Funds ..... 21

    Section 4.4 Summary, Investor Remittance Requirements..... 24

Section 5 • Legal and Risk Planning ..... 24

    Section 5.1 LLC Creation ..... 24

    Section 5.2 Due Diligence ..... 24

    Section 5.3 Document Review and Verification Policy..... 26

    Section 5.3 Project Risks ..... 26

Appendices..... 30

    Appendix A – Financial Projections..... 30

    Appendix B – Architectural Drawings of GMS Location ..... 31

    Appendix C – TEA Designation Letter for the City of Gary, IN Dated June 14, 2013..... 32

## Section 1 • Executive Summary

### Section 1.1 Project Company

GARY MACHINE SHOP (also referred to herein as “GMS”), a division of STERLING ENERGY GROUP, INC. (also referred to herein as “SEG”)

Agent: William J. Harrington  
532 Connecticut Street  
Gary, IN 46402  
www.sterlingenergygroupinc.com

### Section 1.2 Specific Industry Focus

GMS’s primary industry focus is:

- ❖ NAICS 33271 – Machine Shops

### Section 1.3 Geographic Location

GMS will be located at 700 Alabama Street in Gary, Indiana. The location is located in a Targeted Employment Area (“TEA”) as defined by USCIS and as designated by the State of Indiana (see Appendix C).

### Section 1.4 Project Company Contacts

William J. Harrington  
President & CEO  
532 Connecticut Street  
Gary, IN 46402  
(219) 886-0661  
Bharrington\_1@msn.com

Fred L. Solomon  
Executive Vice President  
532 Connecticut Street  
Gary, IN 46402  
(219) 886-0661  
fred@flsolomon.com

### Section 1.5 Financing

(b)(4)

The project is anticipated to cost approximately \$  The financing breakdown is as follows:

(b)(4)



**Section 2 • Gary Machine Shop and Sterling Energy Group, Inc.**

*Section 2.1 Company Overview*

**Legal Form of Ownership**

Sterling Energy Group, Inc. is a corporation organized in the State of Indiana.

**Project Description – Sterling Energy Group, Inc.**

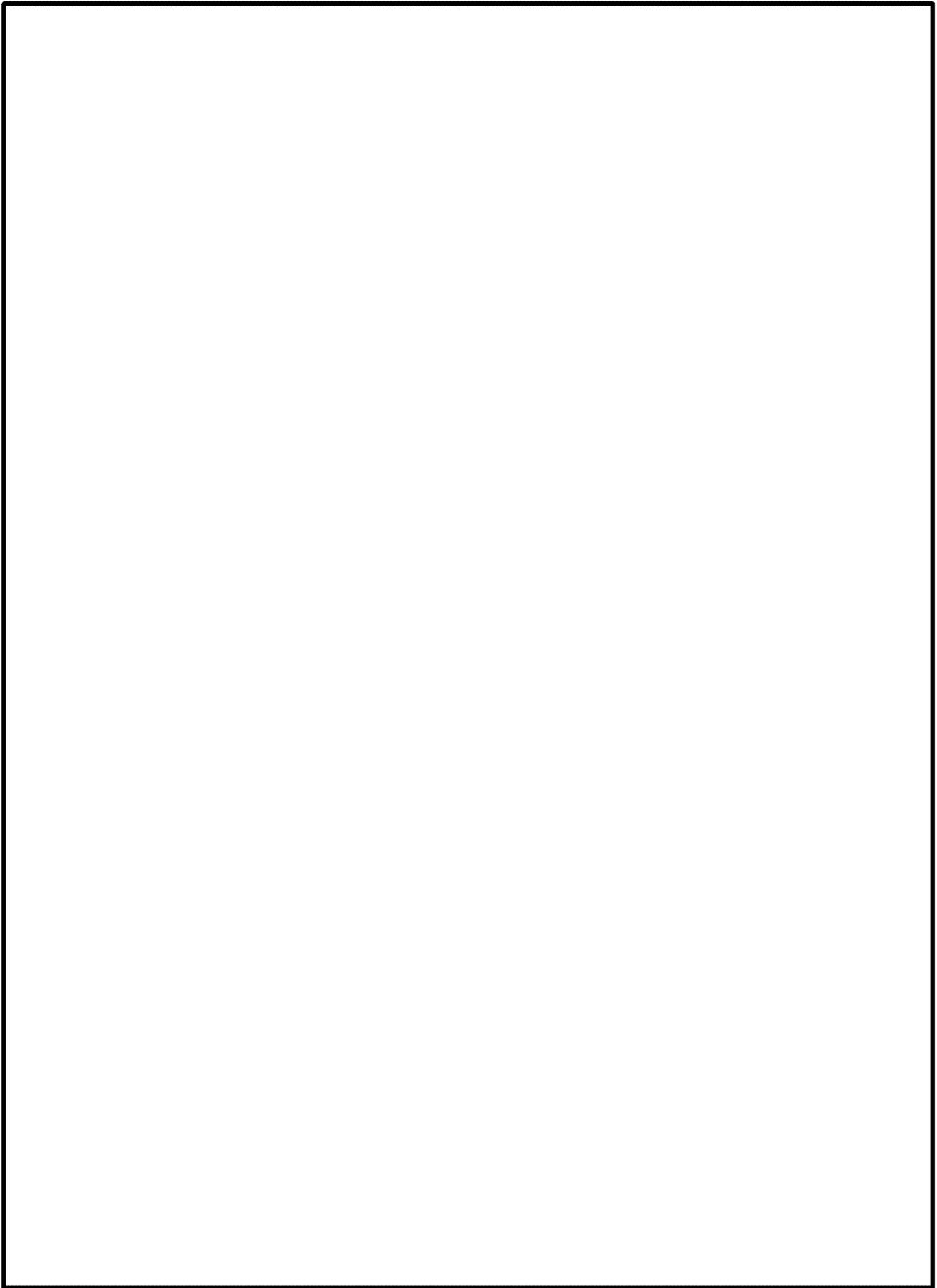
SEG is a holding company based in Gary, Indiana, Through its wholly owned subsidiaries, Sterling Energy, LLC, Crawfordsville Energy, LLC, Sterling Natural Resources, LLC and Gulfstar Energy Group, LLC, SEG provides services to the power generation industries. SEG was incorporated in the State of Indiana in 2012.

It is the objective of SEG to target synergistic acquisitions of existing power facilities that do not meet EPA requirements and convert these power facilities to the use of natural gas and, through a proven proprietary technology, to permit these facilities to also use inexpensive coal to generate efficient and inexpensive electric power that is compliant with EPA regulations.

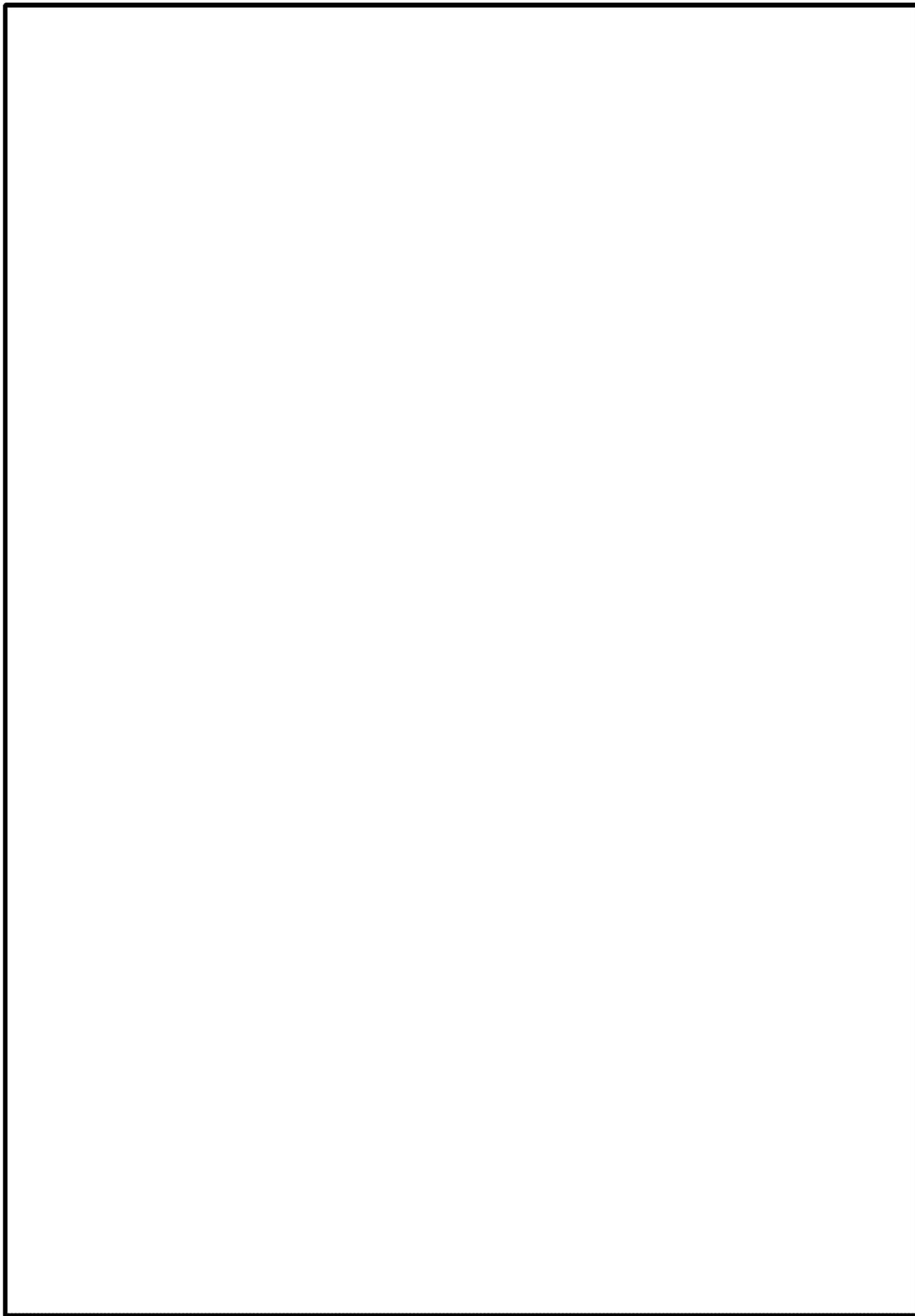
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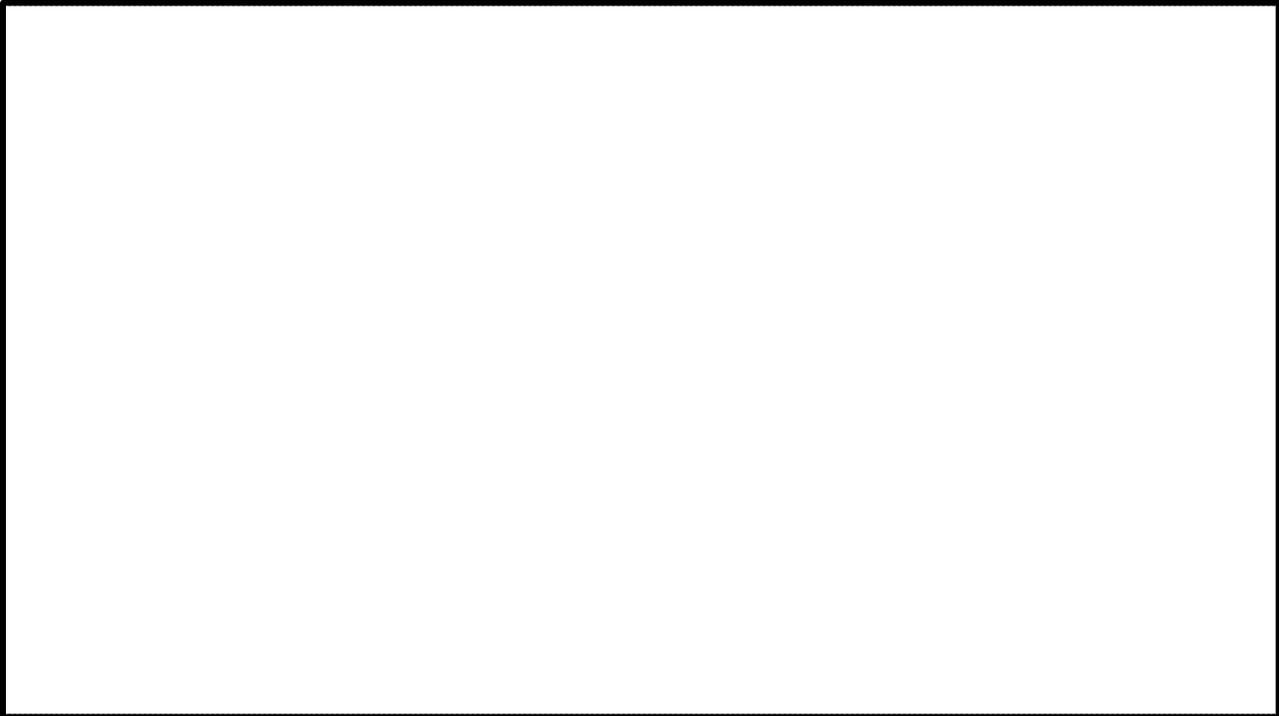


(b)(4)



(b)(4)





### **Project Description – Gary Machine Shop**

Refurbishment of the boilers, turbines, and generators at the targeted power plant facilities is a cornerstone of SEG's plan. GMS has been created to become a premier service provider for power companies in need of boiler, turbine and generator refurbishment, repair and maintenance.

GSM will enter into an exclusive agreement with SEG and initially SEG will be the sole customer of GMS.

GMS has adopted the motto - People, Safety, Quality, Schedule, Value – and applies it to all customers serviced. GMS's goal is to provide high quality, on-time services. Safety is a top priority for GMS and procedures have been designed to ensure protocol is followed through each step of a project. GMS is designed to deliver world-class service experience at market value.

GMS provides turnkey services to maintain boilers, turbines and generators. Core services include boiler, turbine generator refurbishment, repair, and maintenance including disassembly, cleaning and scheduled inspections. GMS specializes in re-powering older model and out-of-service power equipment and plants. GMS's capabilities include a full range of project management to shop repairs services including:

#### **Turnkey Projects**

- Scope and Work Package Writing
- Scheduling and Project Management
- Technical Direction

- Open, Clean, and Close
- Blast Cleaning

#### Specialty Services

- Rotor Bore Inspections
- Generator Electrical Testing
- Laser Measurement Services
- Retrofit Installations
- Clean Energy Retrofits

#### Shop Repairs

- Steam Path
- Hot Gas Path
- Rotor Re-bucket
- Generator Repairs
- Slow Speed Balancing
- High Speed Balancing

#### Shop Fabrication

- Turbine and Generator Parts
- Power Plant Equipment
- Auxiliary Equipment
- Modular Plant Equipment
- Gasification Retrofit Mods
- Pollution Control Equipment

#### Management Team

*William J. Harrington – President & CEO.* Mr. Harrington grew up in a construction family, with a father who was a pipeline welder. He literally started as a construction worker and ascended through all construction positions to the top of one of the largest mechanical contracting firms in the United States. He has advanced in his career to become CEO of two subsidiaries of Fortune 500 Companies.

William Harrington has excellent communication skills at all levels. He has made presentations to Boards of Directors of New York Stock Exchange firms and bond rating agencies.

In 2003 William Harrington, along with his partner Fred Solomon, co-founded Sterling Energy Group, LLC, which became Sterling Energy Group, Inc. in May 2012.

*Fred L. Solomon – Executive Vice President.* Mr. Solomon has over thirty years' experience as a welding engineer, professional manager and owner of various businesses, ranging in size from one million to four billion.

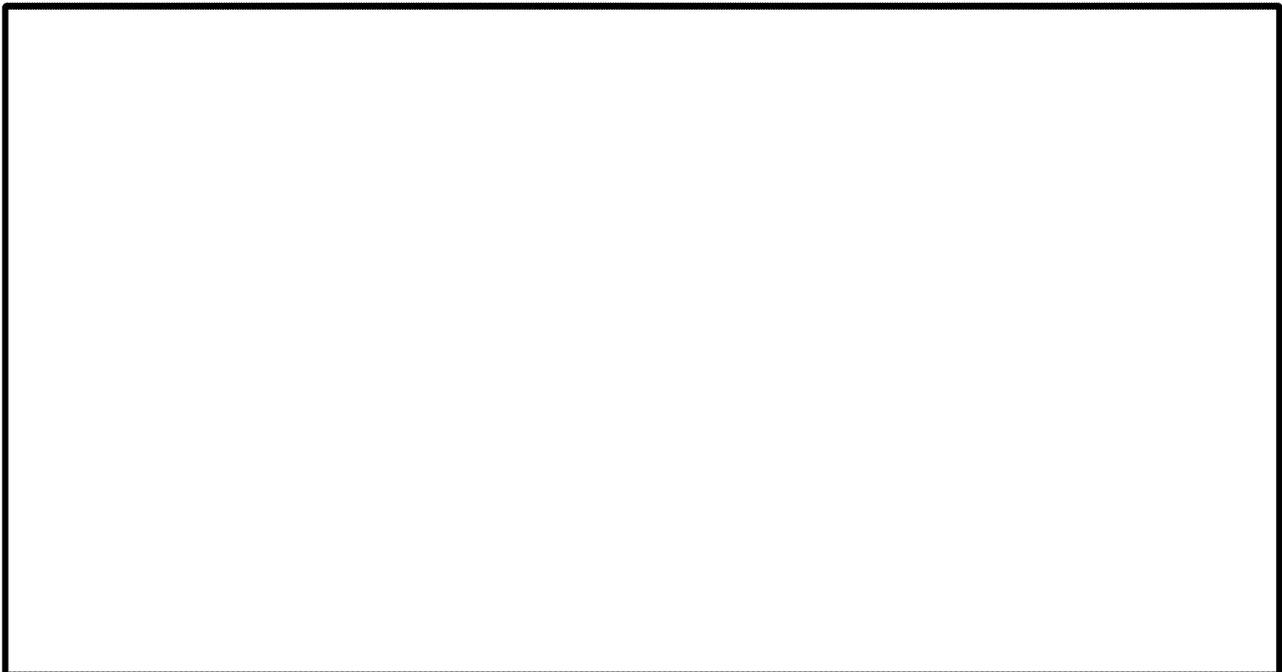
He is creative and intuitive with aggressive leadership skills. Solomon has the ability to manage multiple projects and accomplish goals in a timely manner. Solomon is an American Welding Society CWI, who grew up in the fabrication and construction industry.

### *Section 2.2 Business Model*

Refurbished boilers, turbines and generators will be sold to SEG at preferred rates under a long-term contract. Refurbished boilers and turbines currently sell in the marketplace for upwards of \$5 million.<sup>1</sup> GMS will sell refurbished boilers to SEG for \$2.5 million and refurbished turbines to SEG for \$2 million. In exchange, SEG will enter into a long-term contract with GMS.

GMS will provide repair and maintenance services to third parties as well, but will be designed to operate profitably with only the SEG contract.

(b)(4) *Section 2.3 Operating Assumptions*



### *Section 2.4 Market and Demographics*

Known as the “Crossroads of America,” Indiana is first in the nation for interstate highway access. With three international airports and the second-largest FedEx hub in the world, it is also host to substantial air traffic. Indiana boasts a robust rail system and three marine ports on Lake Michigan and the Ohio River. It is an ideal location for SEG’s plan as a central location to facilitate transport of large boilers and turbines. Indiana:

- is within a day's drive of 80 percent of the U.S. population

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<sup>1</sup> CFAS Enterprises Inc. (<http://cfaspower.com/>)

- has more than 11,000 total highway miles
- is intersected by more interstate highways than any other state in the nation
- has three international airports
- is home to the world's second-largest FedEx hub
- has more than 4,400 miles of active railway tracks
- has three state-of-the-art international ports, each a Foreign Trade Zone

Indiana is also business-friendly state with favorable business costs, shovel-ready sites and a skilled workforce. Indiana has industry initiatives designed to stimulate growth, innovation and profits.

- AAA credit rating without enacting or considering a general tax increase
- Property taxes capped and cut by one-third
- Ten-year infrastructure improvement plan that does not rely on gas or diesel taxes
- State tax exemption for patents developing new business technology or processes
- R&D sales tax credit on research and development equipment
- Personal property tax exemption on information technology equipment

Indiana allows business to keep operating costs to a minimum with a super-competitive tax structure, the lowest workers compensation rates in the Midwest and the second-lowest cost for industrial electricity.

- Property taxes recently capped and cut by one-third
- No inventory tax
- No gross receipts tax
- Corporate adjusted gross income tax is a flat 7.5 percent, phasing down to 6.5 percent by 2015
- Corporate income tax based solely on sales in Indiana
- Sales tax is 7 percent

### **Lake County Demographics**

Lake County is located in Northwest Indiana. The county is bordered on the south by Newton and Jasper Counties. The County is adjacent to Porter County on the east, Lake Michigan is to the north, and the State of Illinois to the west.

Communities like Gary, Hammond, East Chicago and Whiting provide an extensive industrial base and history rich neighborhoods for Northwest Indiana, often referred to as America's Workshop.

Lake County is the second most populous county in Indiana and is located approximately 40 miles southeast of the City of Chicago, Illinois. The county seat is Crown Point. According to the 2010 census, Lake County has a population of 496,005. However, a 2012 estimate puts the population of the county at 493,618 with a population decline of -.5% since 2010.

Lake County has a strong labor force of 236,720<sup>2</sup>

Area	Total Labor Force	16-24	25-44	45-64	65+
Lake County	236,720	32,280	101,510	94,820	8,110

The following table provides a list of major employers in Lake County.

**MAJOR EMPLOYERS - Lake County**

Employer	Industry	Location
US Steel Corporation	Manufacture	Gary, IN
St. Margaret Mercy Healthcare Community Hospital	Healthcare	Hammond, IN Munster, IN
Horseshoe Casino	Accommodation and Food Services	Hammond, IN
Methodist Hospital Reproductive	Healthcare	Merrillville, IN
Ameristar Casino	Accommodation and Food Services	East Chicago, IN
Methodist Hospital	Healthcare	Merrillville, IN
BP Pipeline North America	Utilities	Whiting, IN
St Anthony Medical Center	Healthcare	Crown Point, IN
Ni Source Inc.	Utilities	Merrillville, IN

Sources: Northwest Indiana Forum

**City of Gary**

The City of Gary, Indiana has an estimated 2012 population of 79,170 and has seen a population decline of nearly 1.5% since 2010. Gary’s population is predominantly African-American (84.8%), has a high school diploma or higher education (82.7%) and is living at a lower income level than their counterparts in the rest of the state.<sup>3</sup>

The City of Gary was severely affected by the recent economic downturn and is motivated to bring new businesses to the city and to attract employment opportunities for its residents.

The strong labor force and motivated municipal partner makes Gary an ideal location for the Project.

<sup>2</sup> Source: STATS Indiana, using data from the Indiana Business Research Center, IU Kelley School of Business ([http://www.stats.indiana.edu/labor\\_proj/](http://www.stats.indiana.edu/labor_proj/))

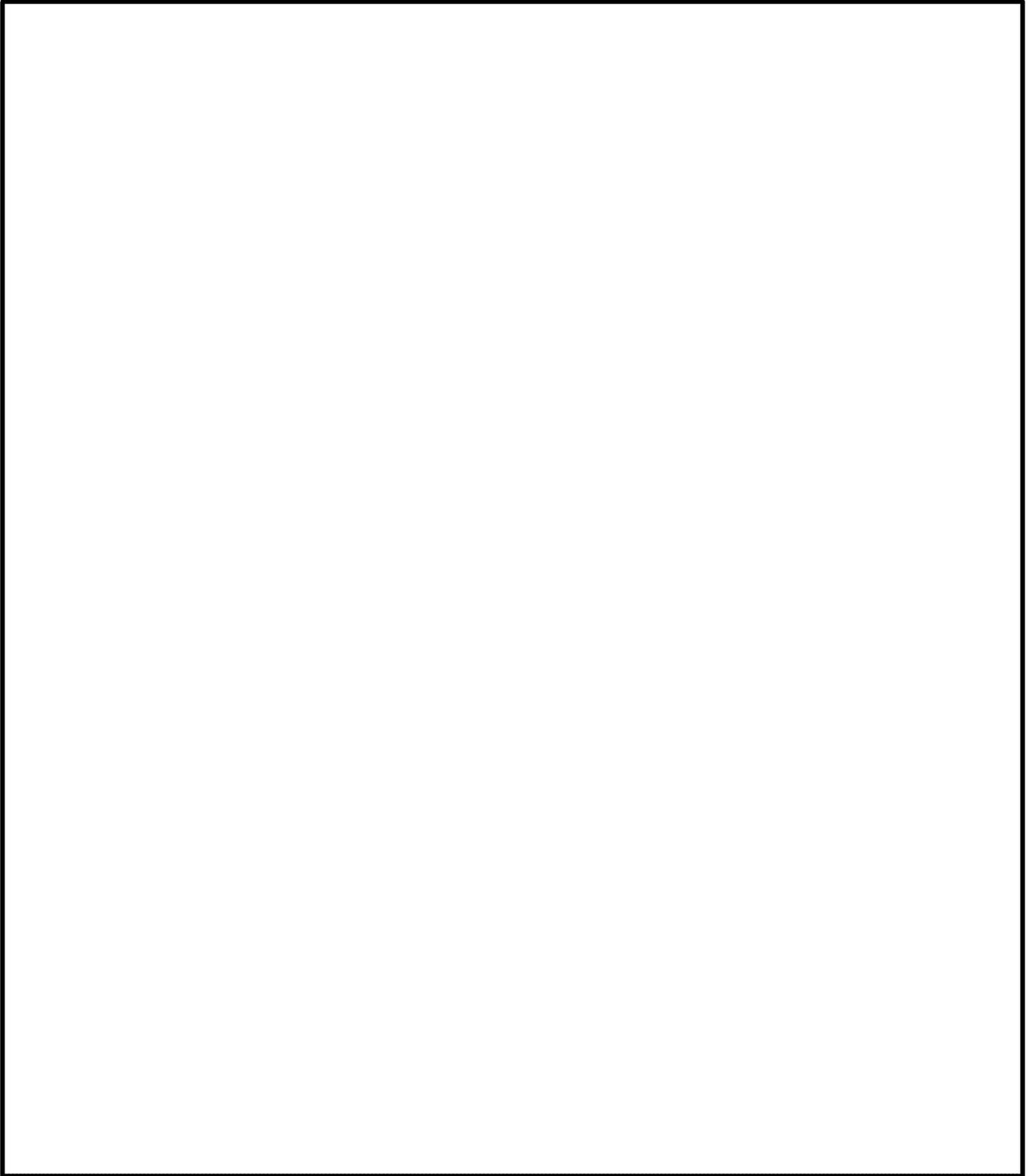
<sup>3</sup> Source: U.S. Census Bureau

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*Section 2.5 Competitors*

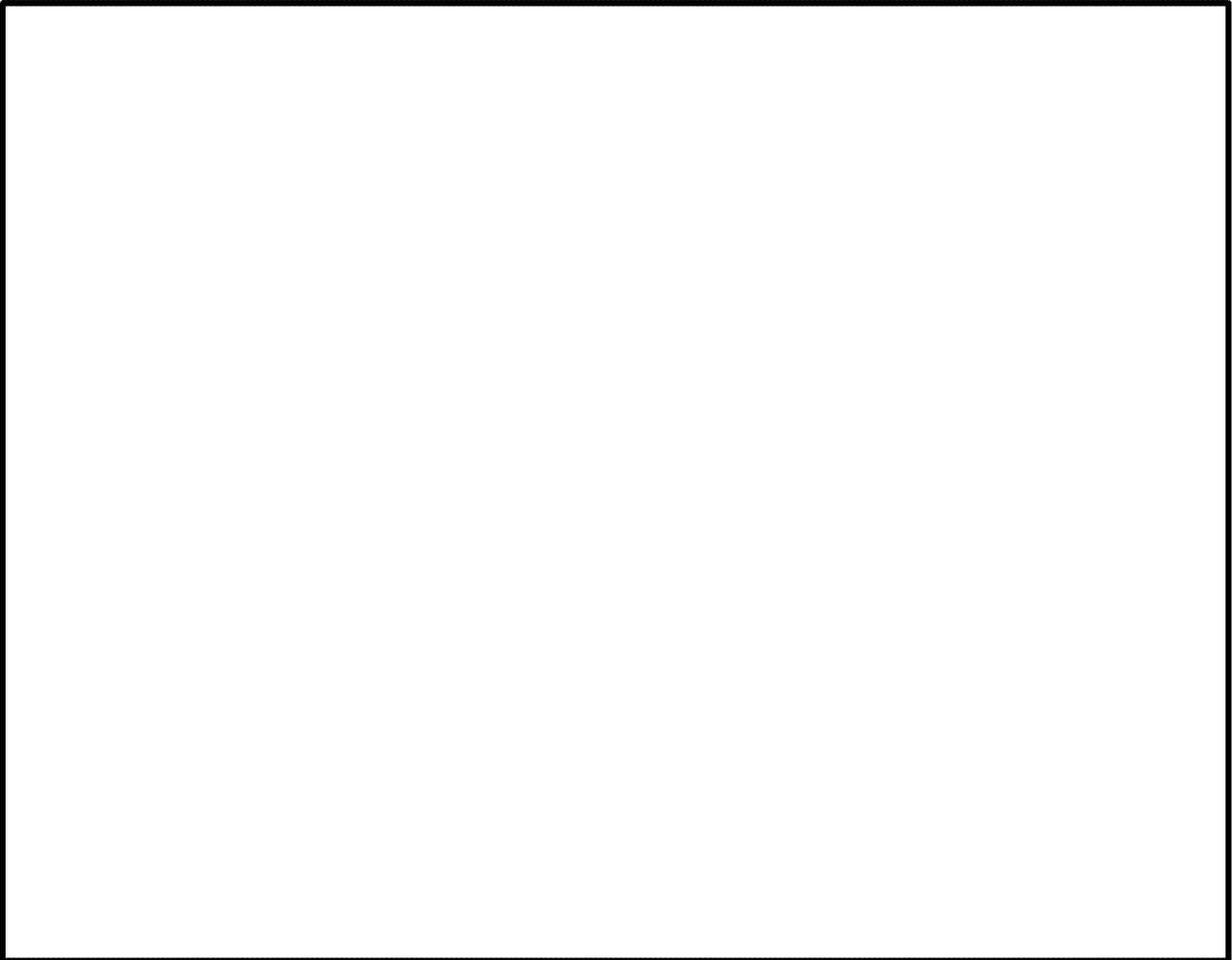


(b)(4) *Section 2.7 Financial Highlights*



(b)(4)

### *Cash Flows*



### **Overview of the IMPLAN Model**

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, Lake County, Indiana). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, one year).

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the “flow of dollars from purchasers to producers within the region.” It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of “local-level multipliers” that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

Given the need to create a minimum threshold of 10 jobs per investor and the target of 20 alien investors, the total job creation must equal or exceed 200 jobs. The models below establish that the number of jobs created (combining direct, indirect, and induced) will more than exceed the minimum requirement.

**Job Creation – GMS Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from GMS’s financial projections used to create the model for each of GMS’s primary industry focuses.

2012 NAICS Code	Category	IMPLAN Sector	Direct Jobs
33271	Machine Shops	195	(b)(4)

Using IMPLAN Version 3.0 with 2011 data for Lake County and the inputs above, the following model was created which outlines the impact of the operations of GMS:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	(b)(4)			
Indirect Effect				
Induced Effect				
Total Effect				

Top Ten Industries Affected

Sector	Description	Employment	Labor Income	Value Added	Output
195	Machine shops	(b)(4)	[REDACTED]	[REDACTED]	[REDACTED]
413	Food services and drinking places				
360	Real estate establishments				
397	Private hospitals				
394	Offices of physicians, dentists, and other health practitioners				
356	Securities, commodity contracts, investments, and related activities				
329	Retail Stores - General merchandise				
324	Retail Stores - Food and beverage				
398	Nursing and residential care facilities				
425	Civic, social, professional, and similar organizations				

Multiplier Tables

Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
195	Machine shops	[REDACTED]					

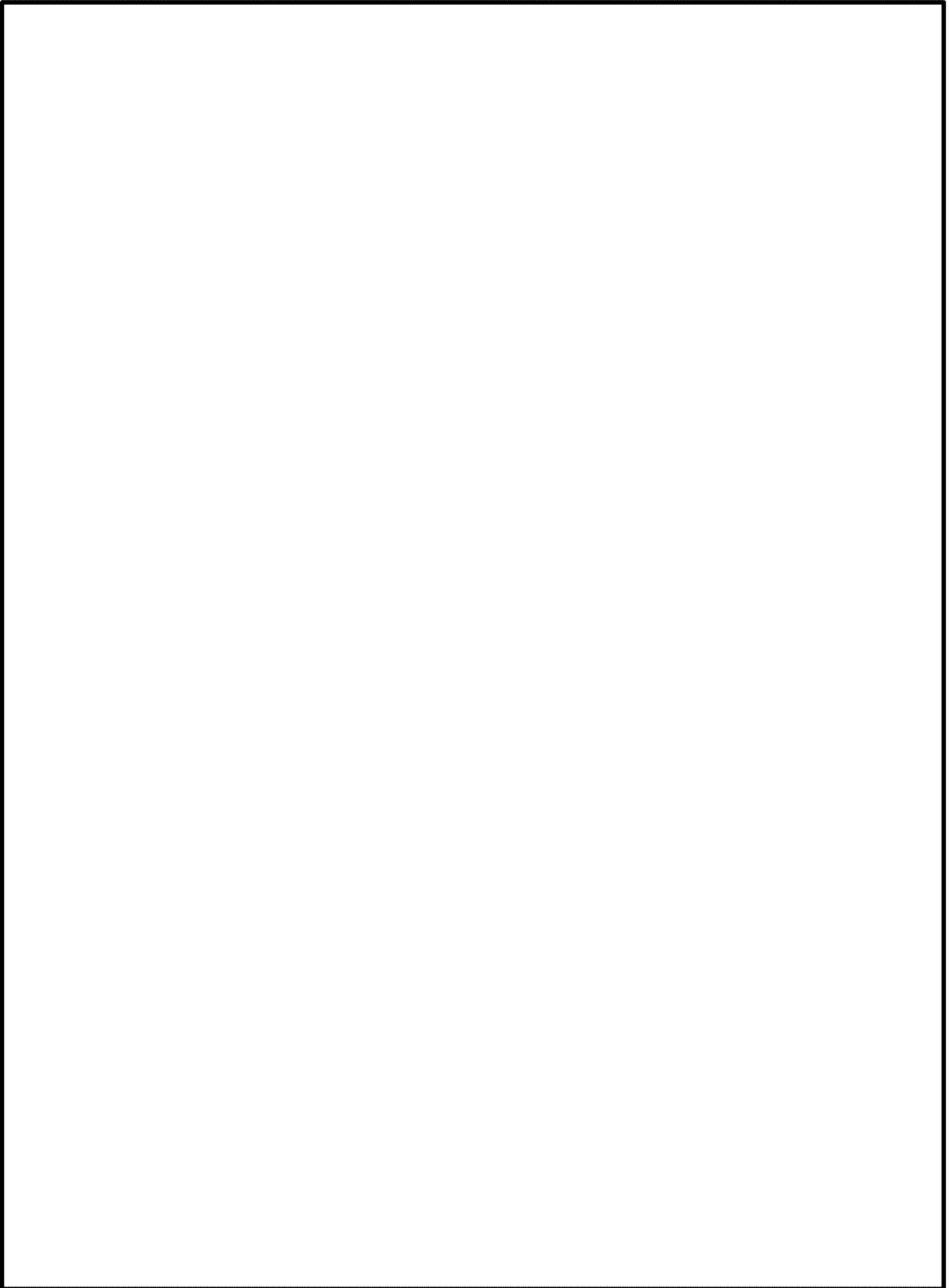
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Section 2.9 Project Timeline

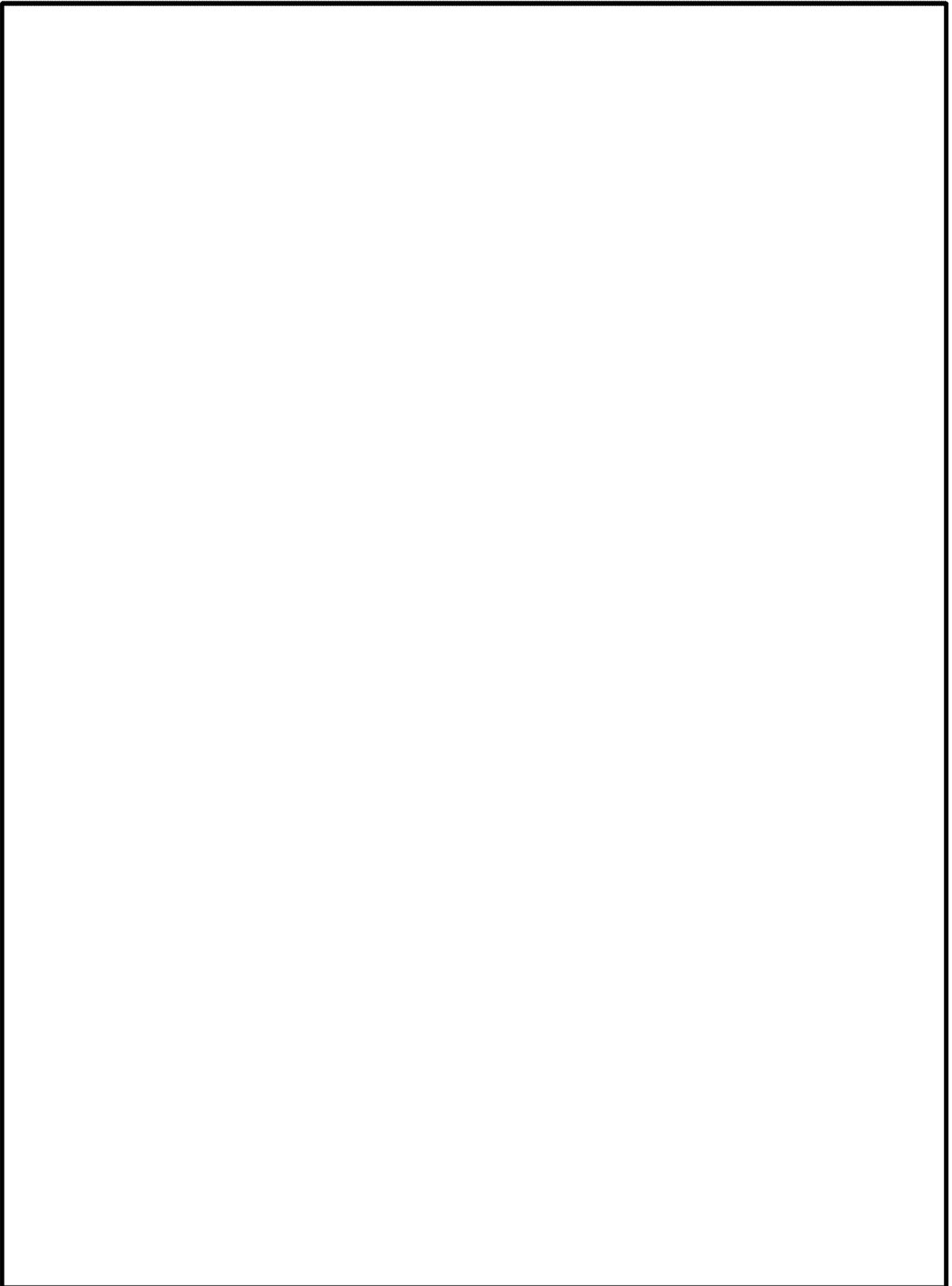
[REDACTED]
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**Section 3 • Investment Structure**



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*Section 3.5 Company Privacy Policy*

In order to protect the privacy of its investors, SEG Investment Fund, LLC will establish a policy not to disclose the names of its investors without the investor’s prior agreement unless required to do so by law. However, each investor has the legal right of access to names, contact information, and percentage of ownership of the other investor members of SEG Investment Fund, LLC.

(b)(4) *Section 3.6 Exit Strategy Options*



*Section 3.7 Application Process*

To become an immigrant investor in SEG Investment Fund, LLC, a potential investor will take the following steps:

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STEP	IMMIGRATION PROCESS
1	<b>Investor</b> is referred by an agent or receives marketing materials.
2	<b>Investor</b> receives description of project, wire transfer instructions, subscription agreement and subscriber questionnaire.
3	<b>Investor</b> wires <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> Administrative Fee to the LLC Escrow Account.
4	<b>Investor</b> signs and returns Subscription Agreement and Escrow Agreement.
5	Upon accreditation acceptance, <b>Investor</b> remits balance of investment (minimum of \$500,000 USD) to the LLC Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.
6	<b>Investor</b> submits all documents for filing I-526 with USCIS to their Legal Representative.
7	Investor’s Legal Representative prepares I-526 filing for USCIS.
8	I-526 Petition and Notification.
9	<b>Investor</b> elects adjustment of status or consular processing.
10	<b>Approval!</b> Upon approval of the Petition, (a) if the investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the investor must wait for notification from the National Visa Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.
11	<b>Conditional Residency (2 years) from Residency approval of I-526.</b> Once issued conditional permanent resident status, the investor needs to wait 21

	months to reconfirm that the full investment has been made and that 10 jobs were or are in the process of being created.
12	<b>Month 18 (from conditional residency):</b> Lifting of conditional status USCIS – I-829
13	<b>Decision of Full Residency (fingerprints and biometrics)</b>
14	<b>I-551 – Full Residency Card:</b> Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.
15	<b>U.S. Citizenship (60 months after conditional residency)</b>

The application process detailed above is for general information and guidance only. Actual procedures will vary according to individual circumstances.

### *Section 3.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the investor plans to continue working or investing in her or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

## **Section 4 • Administration and Documentation**

### *Section 4.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify potential investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

### *Section 4.2 Investor Information Requirements*

- Master Documents
- Passport

- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature
- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates
- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

#### *Section 4.3 Sources of Funds*

Sources of investor funds will be verified, with a comprehensive review of all documentation. The Company requires that each investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the EB-5 investment.

Types of investment sources that are to be thoroughly detailed by the investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment
  - Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the investor
  - Approximate annual cost of fringe benefits

- Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
- Earnings distribution to the investor that will be used to fund the EB-5 investment
- Net Proceeds from the Sale of a Business. Again the information and documentation required is substantial, including:
  - Gross proceeds, as verified by the sales contract
  - Expenses associated with the sale
  - Net sale proceeds, including any deferred payments and a schedule of such payments
  - Investor's net proceeds from the sale
  - Total cash collected by the Investor from the sale including information on funds already expended or deposited elsewhere
  - Net amount to be used for EB-5 investment

In support of this information, the investor will be required to submit:

- Incorporation or other organizational documents of the business
- Stock certificates (or other evidence of ownership)
- Closing statement for the sale of the business
- Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- Net Proceeds from the Sale of Real Estate. For this source, the investor must supply:
  - Street address and full description of property
  - Date acquired and initial investment plus any additional investments
  - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
  - Date property sold, net sales price, and net price after selling expenses
  - Name and address of purchaser, as well as type of entity
  - Amount used to pay mortgages/debt payments and other owners
  - Net amounts being used to fund EB-5 investment
- Net Proceeds from the Sale of Investments or Other Assets. Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
- Employment earnings. The investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net earnings for the past five years.
- Income or other Tax Refunds. Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.

- **Loans.** The investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category, the investor must provide additional documentation, including:
  - Copy of bank statement showing the deposit of the loan proceeds
  - Copy of promissory note and security agreement(s), as applicable
  - Copy of loan closing statement, if applicable
  
- **Gifts.** For gifts, in addition to providing the giver's information and type of entity, the investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the investor must provide:
  - Copy of bank statement showing the deposit of the proceeds from the gift
  - Copy of any relevant correspondence regarding the gift
  
- **Inheritance.** For proceeds from inheritances, the investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the EB-5 investment. Again, the primary source of the decedent's funds must be identified, in order to establish the legitimacy of the original source of funds. The investor must provide:
  - Copy of bank statement showing the deposit of inherited funds
  - Copy of legal or other relevant correspondence regarding the inheritance
  
- **Retirement Funds.** If using retirement funds for the EB-5 investment, the investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the EB-5 investment. Documentation required includes:
  - Copy of statement of account showing the balance in the retirement account, if applicable
  - Copy of other relevant correspondence regarding the retirement account
  
- **Support from a Parent/Relative/Guardian or Other Person.** In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the investor must provide information regarding any repayment obligation related to these support payments. For this category, the investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor's expense, to SEG in both the original form of the document and with a certified translated copy in English. While it is the responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, SEG has the right to conduct an internal review to ensure that the investor is in fact qualified for the EB-5 program.

*Section 4.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount
Project Administrative Fee (in accordance with the terms as set forth in the Subscription Agreement)	<input type="text"/>
Wire Transfer to the LLC Escrow Account (to be released in accordance with the terms set forth in the Escrow Agreement)	\$500,000 <sup>4</sup>

(b)(4)

**Section 5 • Legal and Risk Planning**

*Section 5.1 LLC Creation*

SEG Investment Fund, LLC will be formed as a Limited Liability Company in the State of Illinois. A limited liability company (LLC) is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

*Section 5.2 Due Diligence*

Under USCIS regulations the investor must demonstrate that their assets were gained in a lawful manner. The investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

SEG Investment Fund, LLC requires an investor to reveal where and how they received their assets that are used for qualifying for the EB-5 program. This may be accomplished through certificates by the investor’s licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, the LLC will require proper documentation from the investor. The investor is required, at the investor’s expense, to furnish the documentation to the LLC in both the original form of the document and with a

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<sup>4</sup> Conditional upon final approval by USCIS of TEA designation, otherwise \$1,000,000.

certified translated copy in English. Upon receipt, the LLC will perform a 4-step review process.

**Financial Documents to Establish Source of Funds:** The investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

**Transfer of Funds:** The investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

**Financial Statements:** Financial information that evidences a net worth of at least \$1,000,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the investor and each qualifying household member of the investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least 6 months since turning 16. Police certificates are

also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

### *Section 5.3 Document Review and Verification Policy*

Financial source of funds document will be fully reviewed at several separate levels:

- The Escrow/Funds Transfer Agent
- The LLC's Bank
- The LLC's CPA firm
- The Investors U.S. Immigration Counsel
- The LLC's Members

The initial review process will focus on the type of payment and the information provided by the potential investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the investor is incomplete or suspicious in any way, the investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the potential investor, the potential investor's subscription will be rejected and investment funds returned to the investor in accordance with the Escrow Agreement.

### *Section 5.3 Project Risks*

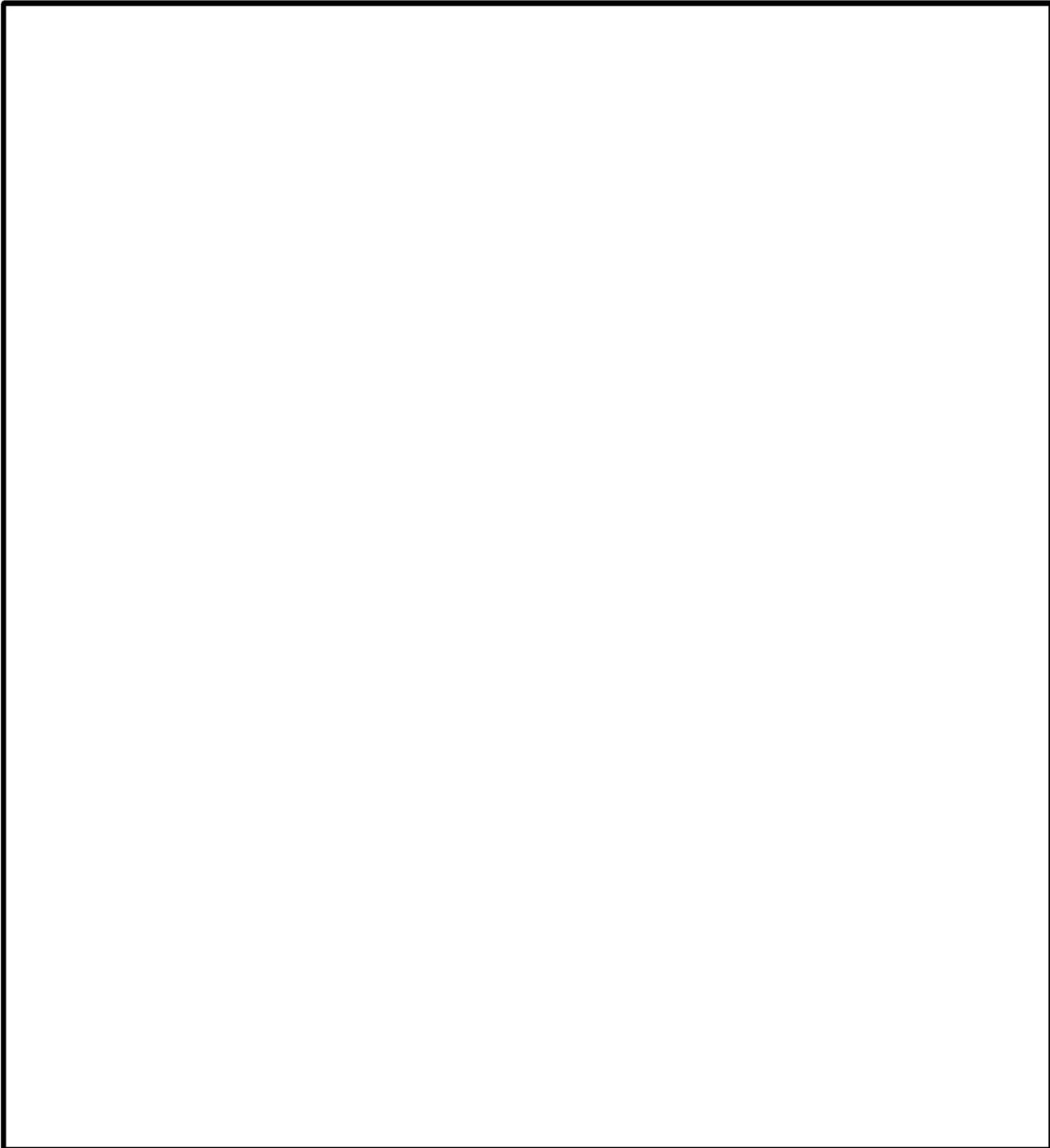
#### **Risk Factors**

The LLC and GMS are subject to all the risks normally associated with a new enterprise. The investment is suitable only for those persons who have a continuing high amount of annual

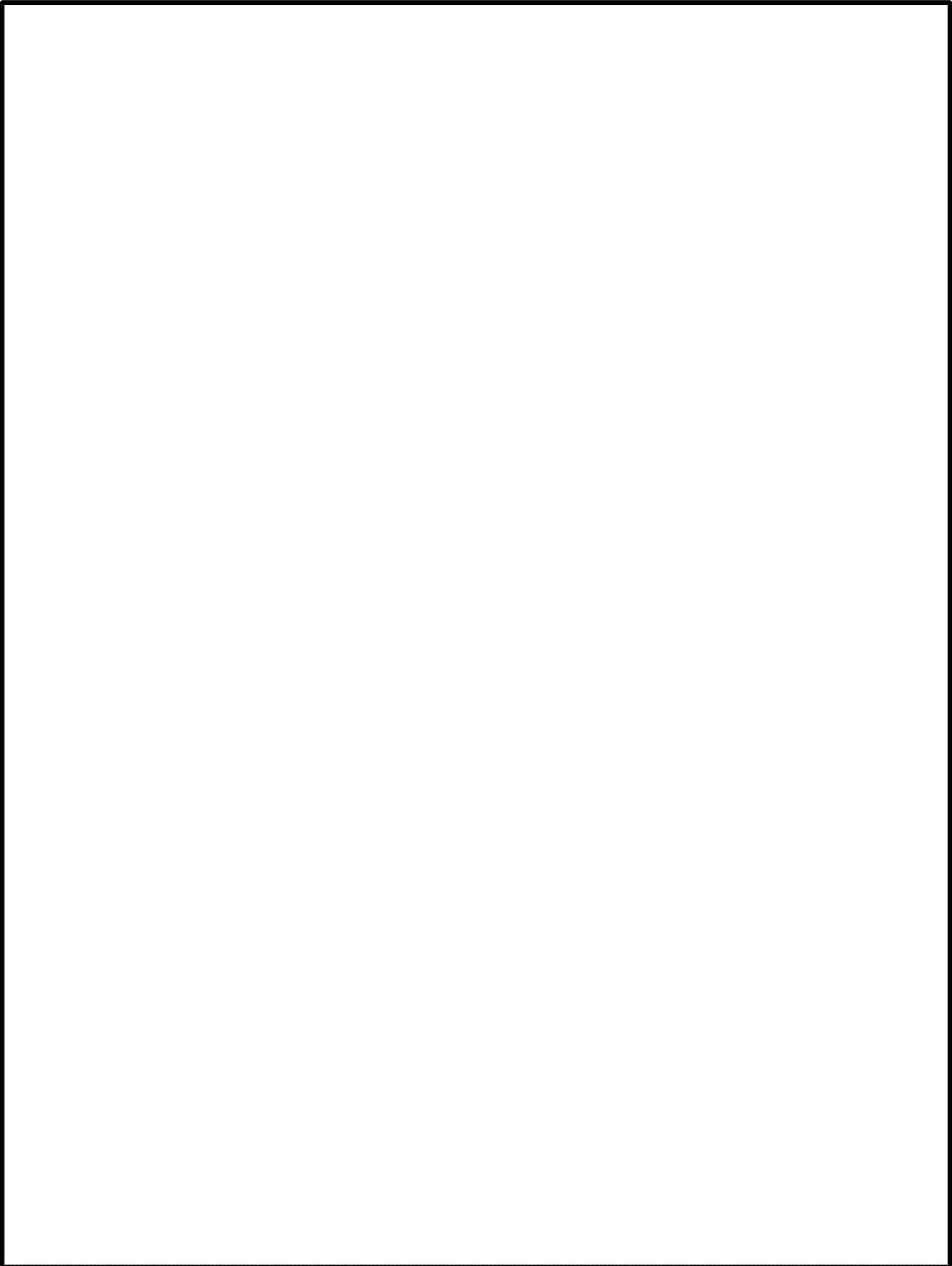
income and substantial net worth, who can afford to bear such risks and who have no need for liquidity from such investment. Each prospective investor should consider carefully the risk factors attendant to the purchase of Units, including, but not limited to, those discussed below, and should consult with his own legal, tax and financial advisors with respect thereto. The acquisition and ownership of the Units involve a high degree of risk. Prospective purchasers of the Units should be aware of the risk factors related to the offering and should consider, among others, those factors set forth below:

(b)(4)

**Business Risks**



CONFIDENTIAL



Immigration Risks

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of SEG. These include the investor's past history and quotas

established by the USCIS limiting the number of visas granted to investors in a single year. Although SEG has been structured so that each Member may qualify for permanent residency under the employment creation immigrant investor provisions of the U.S. immigration laws, no assurance can be given that each investor will obtain approval of his particular immigrant petition.

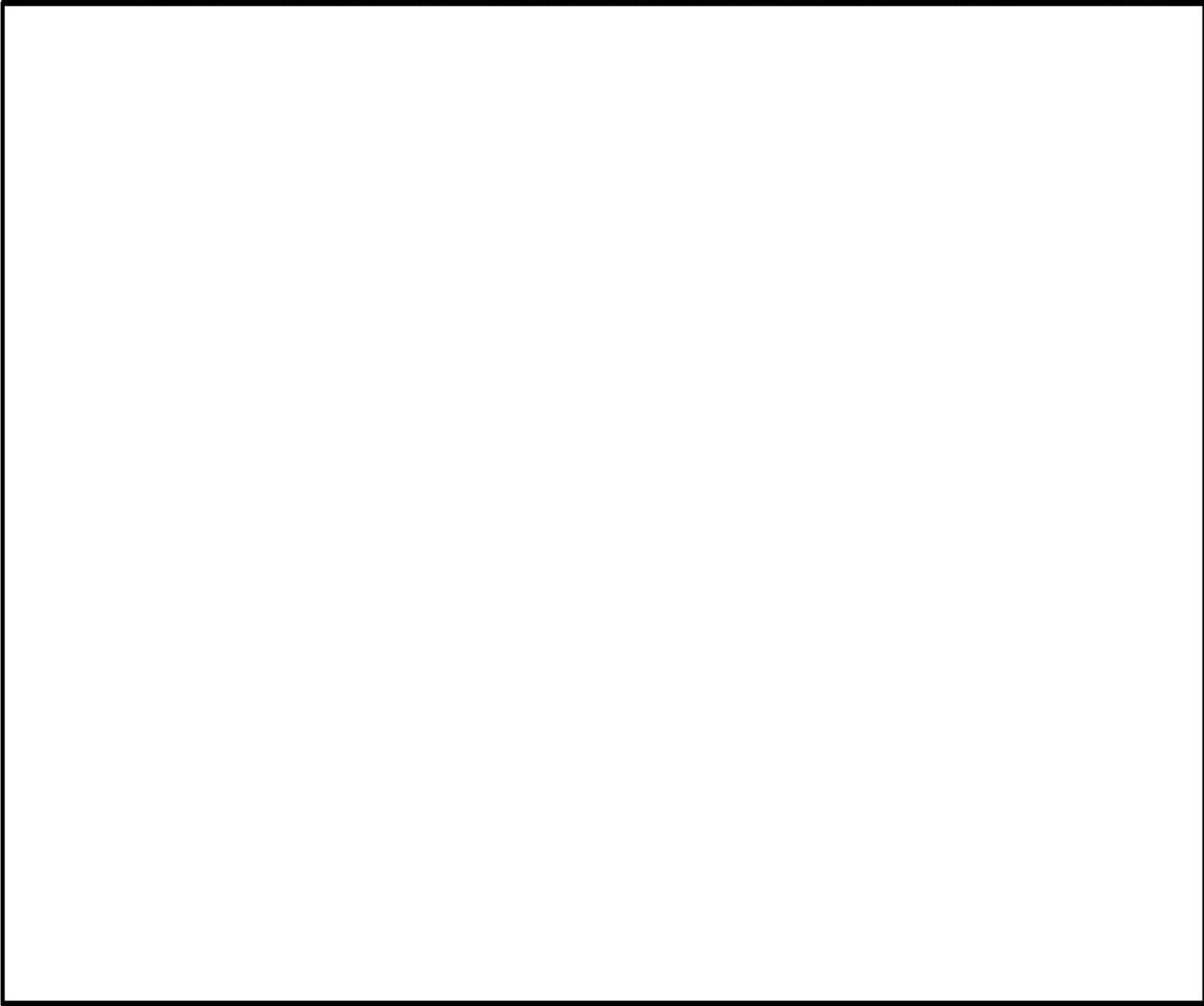
Each prospective investor should consult competent immigration counsel to review the likelihood that the investor's Immigrant Petition will be granted.

**Appendices**

*Appendix A – Financial Projections*

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CASH FLOWS



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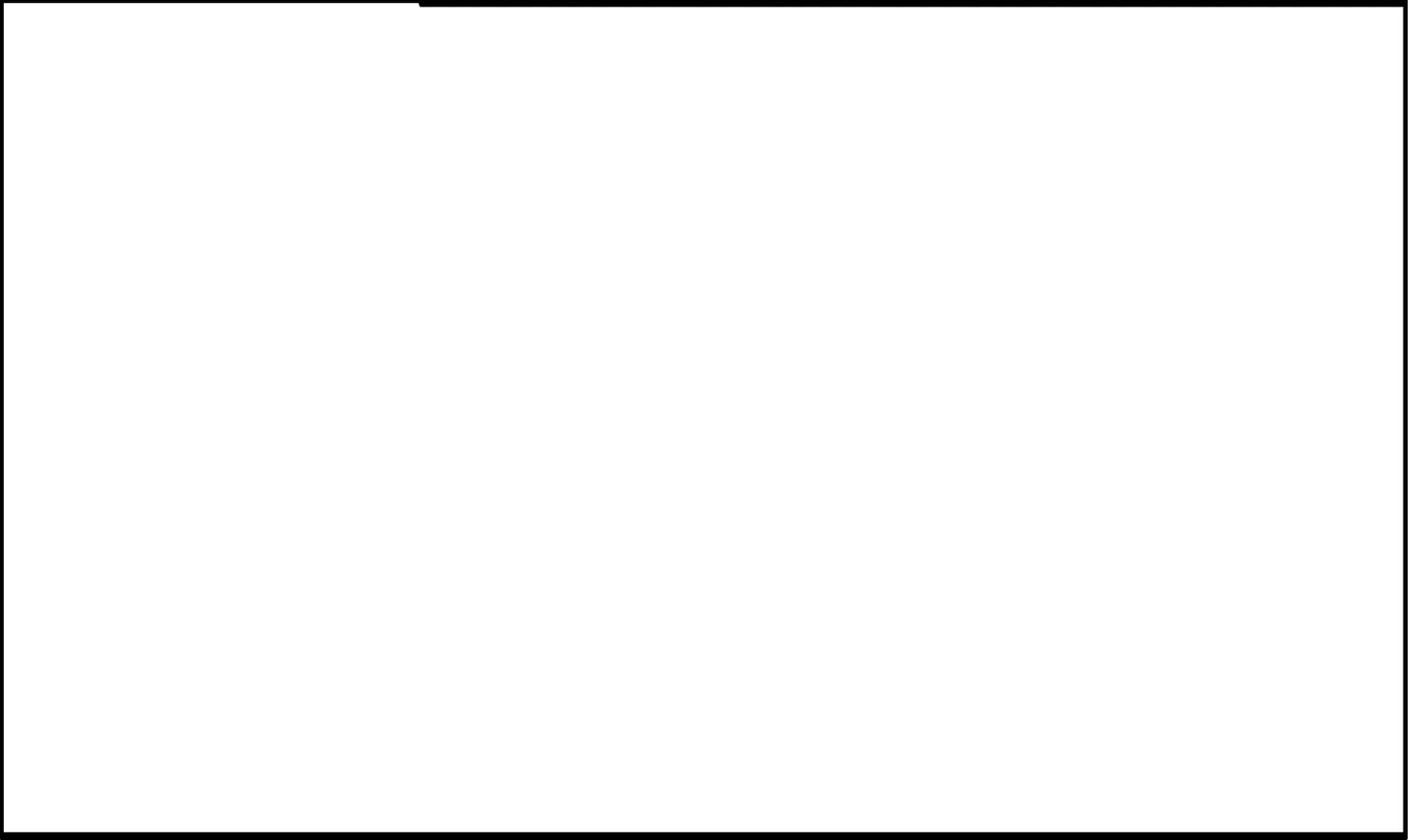
Assumptions:



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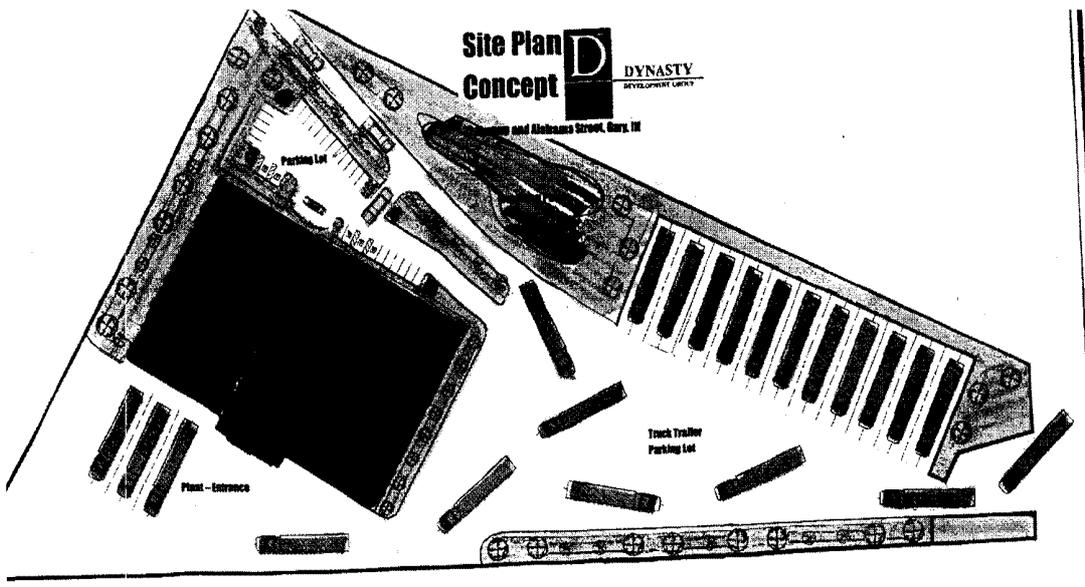
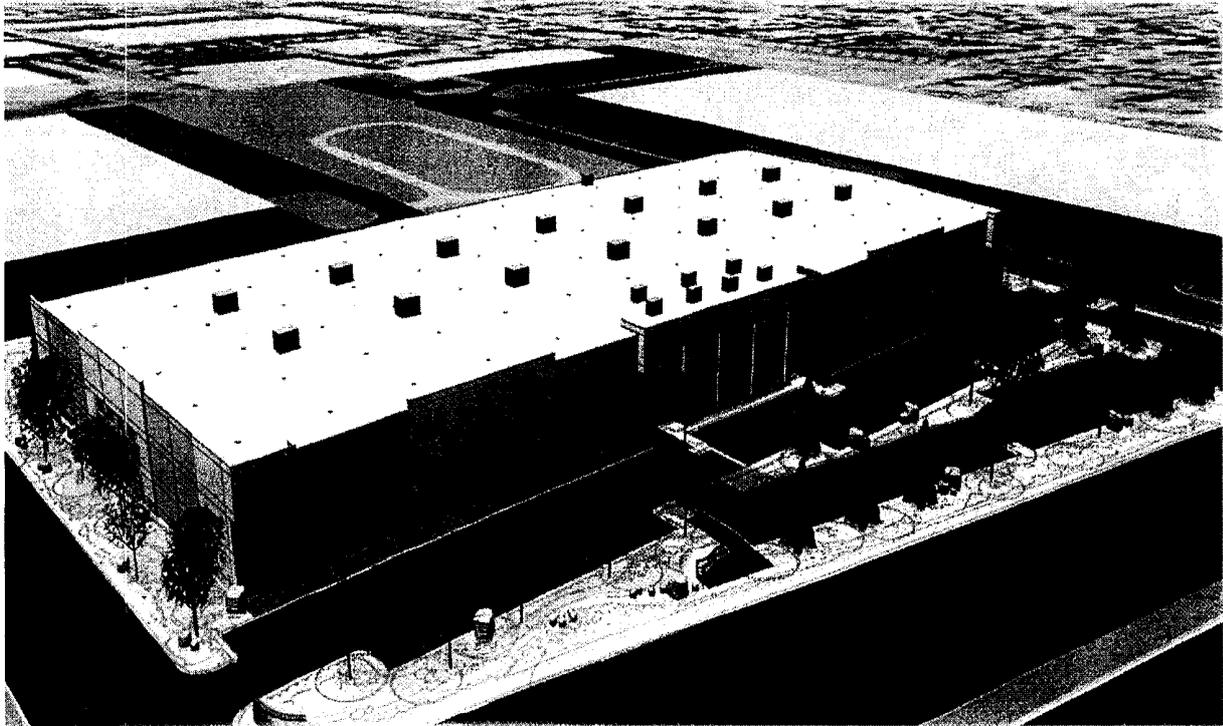
INCOME



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EXPENSES

Appendix B – Architectural Drawings of GMS Location



*Appendix C – TEA Designation Letter for the City of Gary, IN Dated June 14, 2013*



June 14, 2013

Mr. Eric Reaves  
Assistant Director  
Gary Economic Development Corporation  
City of Gary  
401 Broadway, Suite 301  
Gary, IN 46402

Indiana Economic Development Corporation  
One North Capitol, Suite 700  
Indianapolis, Indiana 46204

Tel: 317.232.8800  
Fax: 317.232.4146  
[www.iedc.in.gov](http://www.iedc.in.gov)

re: Designation of the City of Gary, Indiana, as a Targeted Employment Area

Dear Mr. Reaves:

The Indiana Economic Development Corporation ("IEDC") received your request for a designation of the City of Gary, Indiana as a targeted employment area ("TEA"). This letter serves as a formal state designation of a "high unemployment area" as defined under section 203(b)(5) of the Immigration and Nationality Act and the implementing regulations at 8 C.F.R. § 204.6(i). The IEDC is the State of Indiana's lead economic development agency and has been designated to make TEA determinations in Indiana.

Pursuant to 8 C.F.R. § 204.6(i), a geographic area may be designated as a TEA if it is a geographic area or political subdivision located within a metropolitan statistical area (or within a city or town with a population in excess of 20,000) and has an unemployment level of at least 150% of the national unemployment rate. The geographic or political subdivision in question is the city of Gary, Indiana. The IEDC utilizes STATS Indiana as the statistical data utility for TEA determinations. The STATS Indiana website contains a spreadsheet under the heading "Areas of Substantial Unemployment" with data for annual average unemployment rates: <http://www.stats.indiana.edu/topic/laus.asp>. According to the most recent data (the fiscal year ending June 30, 2012), the unemployment rate for the City of Gary is 14.5%, and the U.S. rate is 8.5%.

The IEDC formally designates the City of Gary as a TEA based on this data because it has an unemployment rate of 14.5%, which is more than 150% of the national unemployment rate of 8.5% for the same period. Please note that the IEDC's involvement in this matter is limited to the designation of the TEA. It is solely the responsibility of the EB-5 applicant to ensure that all matters related to the application and potential applications comply with all immigration securities, or other applicable laws.

Should you have any questions about this determination, please direct them to our General Counsel, Stephen Akard, at 317-234-2083.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor P. Smith", with a long, sweeping underline.

Victor P. Smith  
Secretary of Commerce

cc: Joana Herbert, Vice President Great Lakes Regional Center

# Business Plan



*This document contains confidential and proprietary information belonging exclusively to  
Chicagoland SportsPlex Corp.  
This is a business plan. It does not imply an offering of securities.*

## Table of Contents

Table of Contents.....	2
Section 1 • Executive Summary.....	3
Section 1.1 Project Company.....	3
Section 1.2 Specific Industry Focus.....	3
Section 1.3 Geographic Location .....	3
Section 1.4 Project Company Contacts.....	3
Section 1.5 Financing .....	4
Section 2 • Chicagoland SportsPlex Corp. ....	4
Section 2.1 Company Overview .....	4
Section 2.2 Business Model .....	9
Section 2.3 Operating Assumptions.....	10
Section 2.4 Market and Demographics.....	11
Section 2.5 Communication and Marketing.....	14
Section 2.6 Competitors .....	14
Section 2.7 Source and Use of Funds.....	17
Section 2.8 Estimated Tax Revenues .....	17
Section 2.9 Financial Highlights .....	18
Section 2.10 Job Creation Information .....	19
Section 2.11 Project Timeline .....	24
Section 3 • Investment Structure .....	25
Section 3.1 LLC Structure and Investor Safety.....	25
Section 3.2 Qualification Points – EB-5 Investment Designation .....	25
Section 3.3 Investment Program Summary .....	26
Section 3.4 Active vs. Passive Investment .....	27
Section 3.5 Company Privacy Policy .....	27
Section 3.6 Exit Strategy Options.....	27
Section 3.7 Application Process.....	27
Section 3.8 Investor Tax Considerations.....	29
Section 4 • Administration and Documentation .....	29
Section 4.1 Investor Qualifications and Credits.....	29
Section 4.2 Investor Information Requirements .....	29
Section 4.3 Sources of Funds .....	30
Section 4.4 Summary, Investor Remittance Requirements.....	32
Section 5 • Legal and Risk Planning .....	33
Section 5.1 LLC Creation .....	33
Section 5.2 Due Diligence .....	33
Section 5.3 Document Review and Verification Policy.....	35
Section 5.4 Project Risks .....	35
Appendices.....	38
Appendix A – Financials .....	38
Appendix B – Architectural Renderings of SportsPlex Project .....	39

## Section 1 • Executive Summary

### *Section 1.1 Project Company*

CHICAGOLAND SPORTSPLEX, INC., NFP (also referred to herein as “SportsPlex”)

Agent: Phillip J. Robertson

60-B W. Terra Cotta Ave #137

Crystal Lake, IL 60014

[www.mcsportsplex.com](http://www.mcsportsplex.com)

### *Section 1.2 Specific Industry Focus*

SportsPlex’s primary industry focuses are:

- ❖ NAICS 7139 Other Amusement and Recreation Industries
- ❖ NAICS 23622 – Commercial and Institutional Building Construction

SportsPlex’s secondary industry focuses are:

- ❖ NAICS 7225 Restaurants and Other Eating Places
- ❖ NAICS 44512 Convenience Stores
- ❖ NAICS 45111 Sporting Goods Stores

### *Section 1.3 Geographic Location*

The SportsPlex will be an approximately 162 acre; 12 month multi-purpose indoor/outdoor sports facility located in the Village of Lakewood, McHenry County, Illinois along Illinois routes 47 and 176. Please see Appendix B for architectural renderings of the SportsPlex. The proposed project will be located in a Tax Increment Finance District (TIF) which has been preliminarily approved by the Village of Lakewood, IL, Board. The TIF will overlay a to-be-established Special Service Area created for the SportsPlex.

### *Section 1.4 Project Company Contacts*

Lou Tenore

5234 Greenshire Circle

Lake in the Hills, IL 60156

(847) 514-9615

[cherryboss@msn.com](mailto:cherryboss@msn.com)

Townsend Albright

Principal

Walloon Financial Advisors LLC

2019 Beechwood Ave

Wilmette, IL 60091  
(224) 216-9026  
[townsend.albright@gmail.com](mailto:townsend.albright@gmail.com)

*Section 1.5 Financing*

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The project is anticipated to cost approximately [redacted] The financing breakdown is as follows:

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**Section 2 • Chicagoland SportsPlex Corp.**

*Section 2.1 Company Overview*

**Legal Form of Ownership**

Chicagoland SportsPlex, Inc. is a [redacted] Not-For-Profit corporation organized in the State of Illinois.

**Project Description**

The SportsPlex will be an approximately 162 acre; 12 month multi-purpose indoor/outdoor sports facility located in the Village of Lakewood, McHenry County, Illinois along Illinois routes 47 and 176. The proposed project will be located in a Tax Increment Finance District (TIF) which has been preliminarily approved by the Village of Lakewood, IL, Board. The TIF will overlay a to-be-established Special Service Area created for the SportsPlex. The Village of Lakewood Board has pledged to pass a resolution, contingent upon successful project finance, to issue debt to finance approximately [redacted] in infrastructure improvements (water, sewer, etc.) for the SportsPlex facility.

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The proposed SportsPlex will differ from other competitive projects operating nationally. It will be among the first of this scale to have both indoor and outdoor facilities. The management team which will be in place has run sports operations locally and nationally, and will provide those services as part of management's expertise. The managers and coaches of the SportsPlex's individual, team, club, and tournament athletic activities currently operate various youth leagues and tournaments which will relocate from their current locations in local parks and high school gyms to the SportsPlex when completed. As has been done in many local ice facilities, management will also provide an infrastructure for local organizations to anchor within

the facility. These sports organizations will not lose their identity, but the SportsPlex management approach will be to provide a service infrastructure to the leagues and teams so that they can focus on the athletics and leave the administration to the SportsPlex operation. The goal for the project is to provide a recreation and entertainment hub for both residents and SportsPlex visitors. The presence of retail, restaurant, and youth and child play areas in this geographic area should attract families and visitors to use the SportsPlex facility.

Indoor facilities (205,000 sq. ft.) include:

- Training and fitness facilities
- 6 regulation basketball courts
- 1 multi-purpose arena
- 2 multi-purpose rooms
- Team locker rooms
- 40,000 sq. ft. multi-purpose dome
- Pro-Shop (where athletes can purchase their equipment at a fraction over cost)
- Sports bar and restaurant\*
- Retail shops\*
- Casual food café
- Coffee shop
- Ice cream shop
- Arcade
- Party and conference rooms
- Exhibit space
- Child care facility\*

Outdoor facilities include:

- 7 Soccer fields
- 6 Adult baseball fields
- 6 Youth baseball fields
- 6 Multi-purpose fields
- Five acre baseball and softball training island
- Batting cages
- 1 Miracle field (rubberized accessible surface)
- 3 Sand volleyball courts
- Multi-purpose competition bowl with seating
- Extreme sports skate park
- BMX track (bicycle motocross)
- Obstacle course
- Sledding hill
- Shade shelters
- Splash pads and playgrounds
- Discovery play areas

- Comfort stations (concession stands and bathrooms) adjacent to all field clusters

**\*NOTE:** These activities will not be run by SportsPlex employees and therefore are not considered as part of this business plan.

The athletic organizations that will move their sports activities to the SportsPlex will sign five-year (minimum) contracts to use the facility for indoor and outdoor sports. The sports organizations listed below are well established and have already committed to moving their organizations to the SportsPlex. Each of the organizations, teams and leagues listed below have been in existence for a minimum of five years to more than fifteen years. These organizations have the ability to produce steady revenue streams with a short term ramp up after relocating to the SportsPlex.

Sports organizations moving to the SportsPlex include:

- LaCrosse - O2 Oxygen LaCrosse;
- Soccer - Soccer Club soccer program;
- Volleyball - All In Volleyball (volleyball and sand volleyball);
- Baseball - Lake in the Hills Pirates;
- Baseball - Woodstock Lightning;
- Baseball - Crystal Lake Cardinals;
- Softball- McHenry County Heatwave;
- Basketball - Full Package Basketball;
- Basketball - Illinois Magic Basketball;
- BMX - American Bicycle Association;
- Skateboarding - State Plaza Foundation;
- Wrestling - Overtime Wrestling; and
- Mixed Martial Arts - Curran Martial Arts.

Additionally, private instructors will bring their student players to the SportsPlex. Sports included are football, track, table tennis, badminton, cheerleading, and dance. The SportsPlex will start a Fitness and Nutrition program using a licensed trainer and licensed nutritionist.

McHenry Community College ("MCC") has agreed in principal, contingent upon financing, to construct a new nursing center at the SportsPlex. This will give MCC a new campus that is centrally located in McHenry County and allow the college to expand its popular nursing program, and add a sports medicine program to its curriculum. MCC will commit to sign up to a maximum 20-year lease with the SportsPlex.

The SportsPlex is in discussions with the Crystal Lake Park District ("CLPD") to enter a similar length lease agreement. CLPD has proposed the installation of an indoor pool and the construction of an outdoor waterpark at the SportsPlex. The CLPD lease would allow the CLPD programming time at the SportsPlex during daily hours, and use of office space.

The combination of established athletic organizations and the long term leases from MCC and CLPD will produce a stable revenue stream for the SportsPlex. McHenry Community College's outstanding debt is rated AA- 1 by Moody's Investors Service. Crystal Lake Park District's outstanding debt is credit enhanced by Syncora Securities.

### **Mission and Core Values**

The SportsPlex's mission is to "Improve the quality of life in our community through sports excellence".

The SportsPlex's core values are to:

- Provide the best training, coaching and facilities for athletes and aspiring athletes;
- Provide a safe, healthy and fun community gathering place;
- Promote a healthy lifestyle, leading to longer, happier living;
- Provide outstanding opportunities for youth development and education; and
- Develop and operate sustainable facilities that integrate with our natural setting

### **Management Team**

*Lou Tenore - Chief Executive Officer.* Mr. Tenore is the president and controlling partner of EPI LLC (formerly Eden Processing, Inc.), a specialty food manufacturer located in Poplar Grove, Illinois. Prior to acquiring his interest in Eden Processing, Inc., he was Vice President and Director of Operations at Eden Fruit Products Company. He is responsible for overseeing land acquisition, financing, and village/government interaction for the project. He is the Assistant Executive Director of the internationally acclaimed Continental Amateur Baseball Association ("CABA") Northern Illinois World Series. Additionally, he started a travel baseball program titled the Lake in the Hills Pirates that fields six different highly competitive teams that play across the United States. CABA is a volunteer sports organization for youth athletes. The CABA Northern Illinois World Series annually brings in 80 teams, more than 1,000 players, and has a budget of more than \$100,000. Nearly 500 teams advanced through league or tournament play to compete in the CABA World Series or National Championships in 2011.

*Jack Porter - Project Manager (the "Project Manager").* Mr. Porter is a graduate of the University of Illinois with a Bachelors degree in Landscape Engineering. He has further education at Harvard University in golf course design, and has completed graduate courses at Lake Forest School of Management. His 36-year career has been centered on the planning, design, development and construction management of recreational, commercial, residential, golf courses, and planned unit developments. During his early career he was Director of Planning

and Design for the Lake County Forest Preserve District. He is a member of the City of Woodstock Plan Commission and a member of the Land First task force of McHenry County. He is President of Jack Porter and Associates, Inc., and Managing partner for Conservare, LLC, a conservation and design consulting and development company, and LandKeepers, LLC, a property management company specializing in the management, monitoring, and maintenance of natural open spaces and conservation designed communities. His latest project is being the successful developer of The Sanctuary of Bull Valley, which is a 300-acre conservation designed community.

*Wendy B. Posnock - Chief Financial Officer.* Ms. Posnock's career experience includes being the CFO of Metropolitan Development Enterprises, Inc., which is a \$250 million real estate company located in Niles, Illinois. Prior to joining the Metropolitan Development Corporation she was a Vice President, Commercial Lending, at Cosmopolitan Bank and Trust Company, Chicago, Illinois. She holds a BA in finance from Stockton College.

*EnRico Heirman - Executive Vice President of Development/Special Projects.* Mr. Heirman is President of Unique Perspectives Plus, Inc., which specializes in creative management, strategic marketing, sales development, and community development. He is a graduate of St. Joseph College. He has completed graduate studies specializing in the facilities development field at the University of Notre Dame. He was awarded a gold medal at the United States Olympic Festival. In 1989 he was invited to coach the United States men's major fastball team for the Pan American qualifying held in Argentina. He is currently the Executive Director of the Greater Midwest Sports Association and orchestrated the CABA 9, 11, and 15 Year Old World Series. He was inducted into the CABA National Hall of Fame, and serves on the CABA board. In 2008 he was inducted into the Indiana ASA Hall of fame with his Trans-Aire International team.

*Marty Dello - Vice President of Indoor Operations.* Mr. Dello is the General Manager of SportsCity Academy and is the Director of the Magic AAU Basketball Organization which currently has travel teams which play in Illinois, Iowa, Missouri, and Nebraska. Coach Dello coached at the college level for 10 years where he travelled the country as a scout, recruiter, and coach. He is a member of the Illinois Basketball Coaches Association, and the National Basketball Association.

*Michael Turner - Vice President of Outdoor Operations.* Mr. Turner has a 20+ year career as a business consultative executive in consultative sales, project management, and customer service for Fortune 500 businesses. He is also the Owner of SportsCity Academy LLC, an indoor sports training facility. He is a member of the CABA World Series tournament executive team responsible for operations. He has a BA in Business Administration from the University of Wisconsin-Madison with a double major in Risk Management/Insurance, and finance.

*Ben Curcio - Program Director.* Mr. Curcio has spent more than 15 years in the public and private recreation and facility business having worked as Superintendent of Park and Facilities for the Barrington Park District, and was Director of Operations of Field House Management Corporation, in Lake Barrington, Illinois. In such capacity, he oversaw all areas of development

and startup of a 175,000 square foot multi-sport facility. He is currently with the Regional Sports Center as Program Manager and General Manager. His primary focus will be to manage the day-to-day operations of the indoor and outdoor SportsPlex as well as to develop and implement new programs to maximize the SportsPlex use. He received a BS in Recreation Management from Eastern Illinois University in 1993, and a Masters of Public Administration from Roosevelt University in 2003.

*Tom Matsie - Director of Baseball.* Mr. Matsie has nearly 40 years' of baseball experience. He has largely been credited with the introduction, development and refinement of the huge travel baseball market in the Northwest Chicago area. He has received prestigious honors including a Twenty Five Year Meritorious Service Award from the American Baseball Coaches Association, the Frank Mariani Mighty Mites, and Jay Jones Awards for outstanding service to youth baseball. He has been a member of the Illinois High School Association for 15 years. His administrative background, coaching experience, tournament coordination, and field design and development have collectively established him as an expert consultant in the baseball arena.

*Jim Hentschel - Tournament Director.* Mr. Hentschel currently serves as the Athletic Director for North Chicago Community high school. He is Founder/President of For The Game Basketball. He conceptualized, established, and manages a program to organize summer basketball tournaments at major regional universities. As Tournament Director, his focus will be on producing quality events at reasonable costs to promote an interest in athletics and drive achievement of personal goals.

Other professionals include the coaches of the 26 different sports the SportsPlex will offer. These include coaches that presently teach at surrounding Community Colleges or are coaches at surrounding high schools.

The coaches and directors will bring their athletic organizations with them to the SportsPlex. The secondary schools and community colleges where the coaches and instructors presently teach will retain their respective athletic programs.

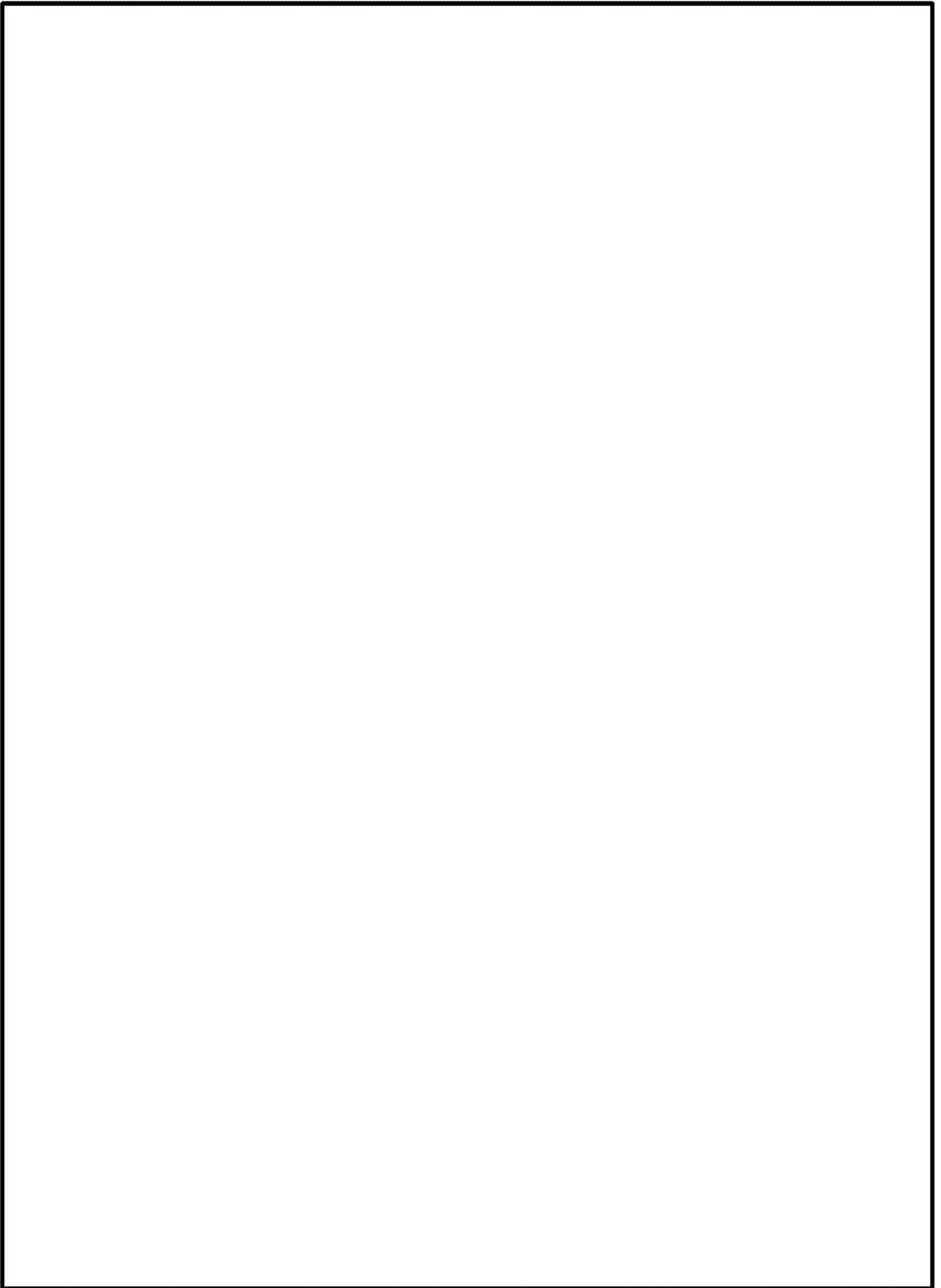
Each key employee and Executive Director-coach of organizations who will be locating their teams, leagues, sports organizations, and established tournaments to the proposed SportsPlex facility will sign a minimum of a five-year employment agreement with SportsPlex.

### *Section 2.2 Business Model*

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*Section 2.4 Market and Demographics*

**McHenry County Demographics**

McHenry County is the sixth largest county in terms of population in the state of Illinois. McHenry County is located approximately 35 miles northwest of the City of Chicago. The county seat is Woodstock. According to the 2010 census, McHenry County has a population of 308,760, which is an increase of 18.7% from 260,077 in 2000. However, a 2011 estimate puts the population of the county at 327,533 with a population growth of 25.87% since 2000.

A strong corporate and business presence is an important factor in the success of a new sports-recreational facility. Local businesses attract residents to an area, provide employment, and support families through donation and advertising. The following table provides a list of major employers in McHenry County.

**MAJOR EMPLOYERS - McHenry County**

Employer	Industry	Employees
Centegra Health System	Healthcare	3,650
McHenry County	Government	1,400
Follett Library Services	Wholesale	1,380
Follett Software Co.	Technology	1,000
Catalent Pharma Solutions	Manufacturing	830
Mercy Health System	Healthcare	730
Brown Printing	Printing	650
Snap-On Tools Co.	Retail	590
Sage Products, Inc.	Manufacturing	580
McHenry County College	Education	500
Knaak Manufacturing	Manufacturing	500
InTren	Utilities	490
Aptar Group, Inc.	Manufacturing	475
Wells Manufacturing Co.	Manufacturing	290

Sources: McHenry County, Johnson Consulting

The County has experienced significant growth in recent years which reflects the County's unique location between the Chicago-Rockford metropolitan areas and the Illinois-Wisconsin state lines. McHenry County's largest employers are diverse including manufacturing, healthcare, higher and secondary education, and public utilities. The area has METRA train service, so it is commutable to downtown Chicago.

**Projected Population (000s) U.S., Illinois, and McHenry County**

	Population - 2009 Estimate	% MSA* Population	Population - 2014 Projected	% MSA* Population	% MSA* Annual Growth
U.S.	305,922	-	317,053	-	0.7%
Illinois	12,894	-	12,997	-	0.2%
Chicago-Joliet- Naperville MSA*	9,541	100.0%	9,582	100.0%	0.1%
McHenry County	300	3.0%	338	4.0%	0.4%

\*Metropolitan Statistical Area

Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

### McHenry County Population/Percentage Distribution

Age Range	Population	Percent/Total County Population (2009)
0-19 years	93,481	29.0%
20-44 years	109,998	34.0%
45-64 years	84,553	28.0%
65+ years	34,295	11.0%

Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

With a median age of 36.3 years, the local McHenry County population is slightly younger than the general population which has a median age of 37.1 years. McHenry County has an above average share of residents under age 20, which is indicative of the characteristic as a family market. McHenry County currently has a minimum selection of sports and recreation facilities, including public parks, community recreation centers, and high school and college facilities.

McHenry County's median house hold income is substantially higher than both the state of Illinois and the Metropolitan Statistical Area as shown in the table below.

Median Household Income – McHenry County				
		2000	2009 estimate	2014 projected
U.S.	\$	42,253	\$ 53,679	\$ 57,994
IL		46,699	59,662	64,674
Chicago-Joliet-Naperville MSA*		51,404	66,132	71,596
McHenry County		64,988	82,890	89,713

\*Metropolitan Statistical Area

Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

2014 the median household income in McHenry County is projected to be \$89,713 which is substantially higher than the figures for the MSA (\$71,596), and particularly for the state (\$64,674), and national (\$57,994). The median county age coupled with the strong median income indicates the residents of this suburban county are of family forming age, and have the disposable income to afford to allow their children to participate in athletic activities and join teams and leagues.

### The Village of Lakewood

The Village of Lakewood (the "Village") shares its boundaries with the City of Crystal Lake (2011 population - 40,766), Village of Lake in the Hills (2011 population - 28,965), Village of Huntley

(2010 population - 24,358), and the City of Woodstock (2011 population - 24,785). The 2011 population of the Village was 3,853. The Village has added approximately 800 citizens since the 2003 census which counted 3,050. The Village is residential with various small businesses located within the Village. Its students attend schools in the Crystal Lake School District.

As of the 2003 census there were 815 households, and 765 families residing in the Village. Of the 815 households, 39.0% had children under the age of 18 living with them. 80.5% were married couples living together. In the Village the population was spread with 27.3% under the age of 18, 4.6% from 18 to 24, 26.2% from 25 to 44, 31.8% from 45 to 64, and 10.1% 65 and older. The median household income for a household in the Village was \$111,172, and the median income for a family was \$116,893.

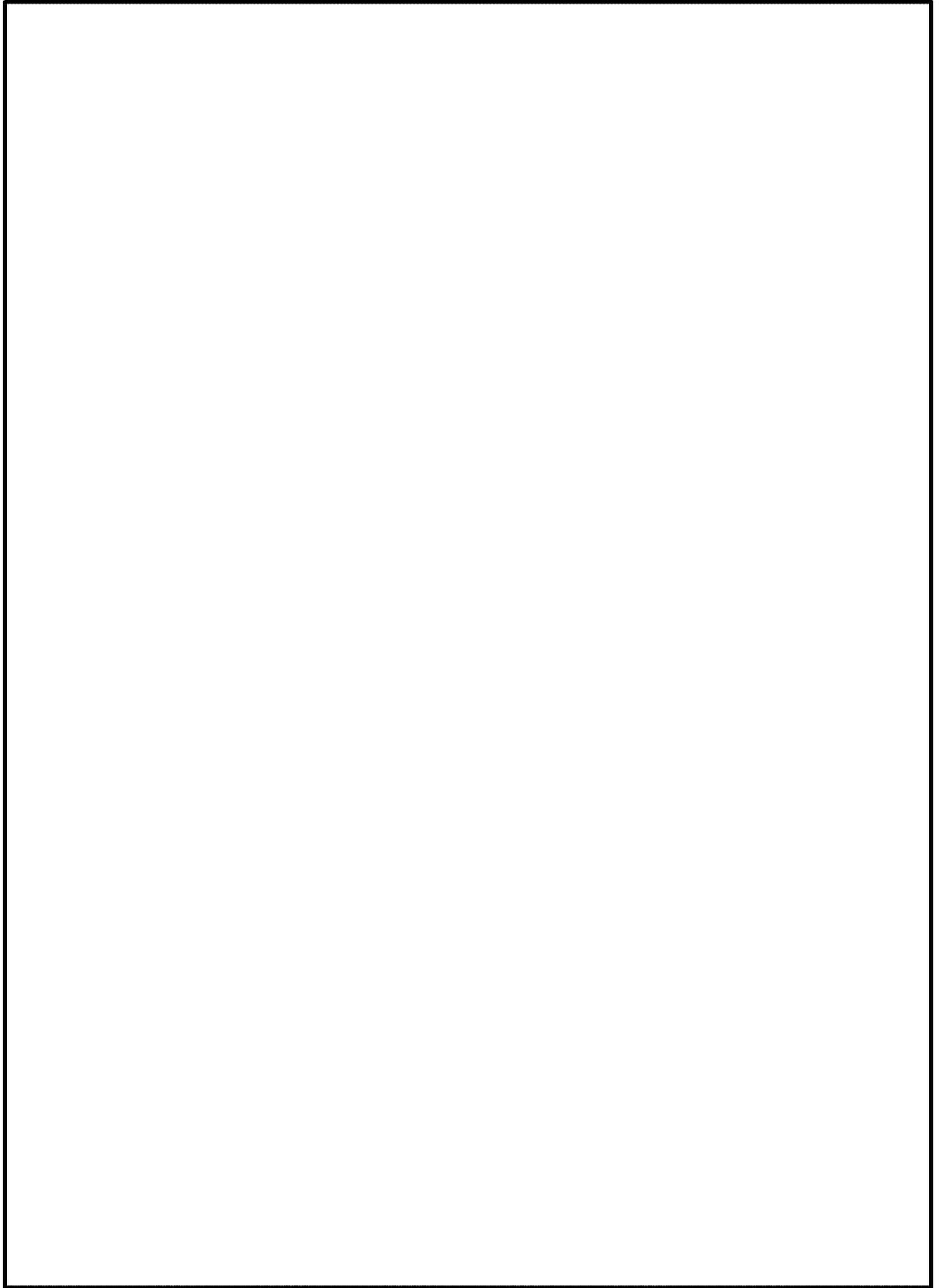
The median household income for Village is considerably higher than the median income for McHenry County. Median family rearing age for the Village is significantly higher than for McHenry County. The combined population of the Village and contiguous local governments is 122,705. The large, affluent, local younger population, with its favorable demographics plus the similar demographics of McHenry County, creates a critical mass of available youth players to use the SportsPlex. These demographics bode well for the success of the SportsPlex.

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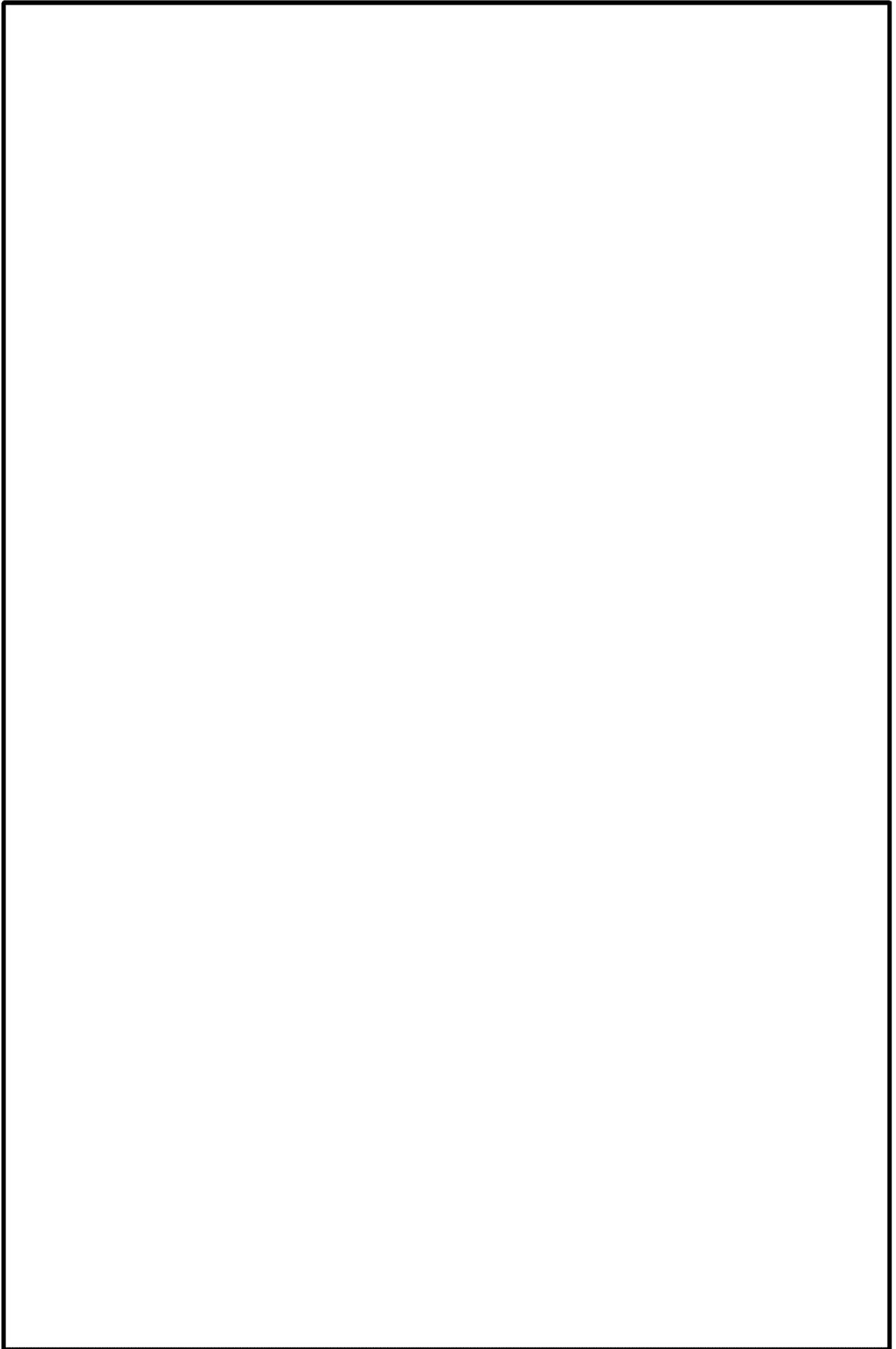
*Section 2.5 Communication and Marketing*



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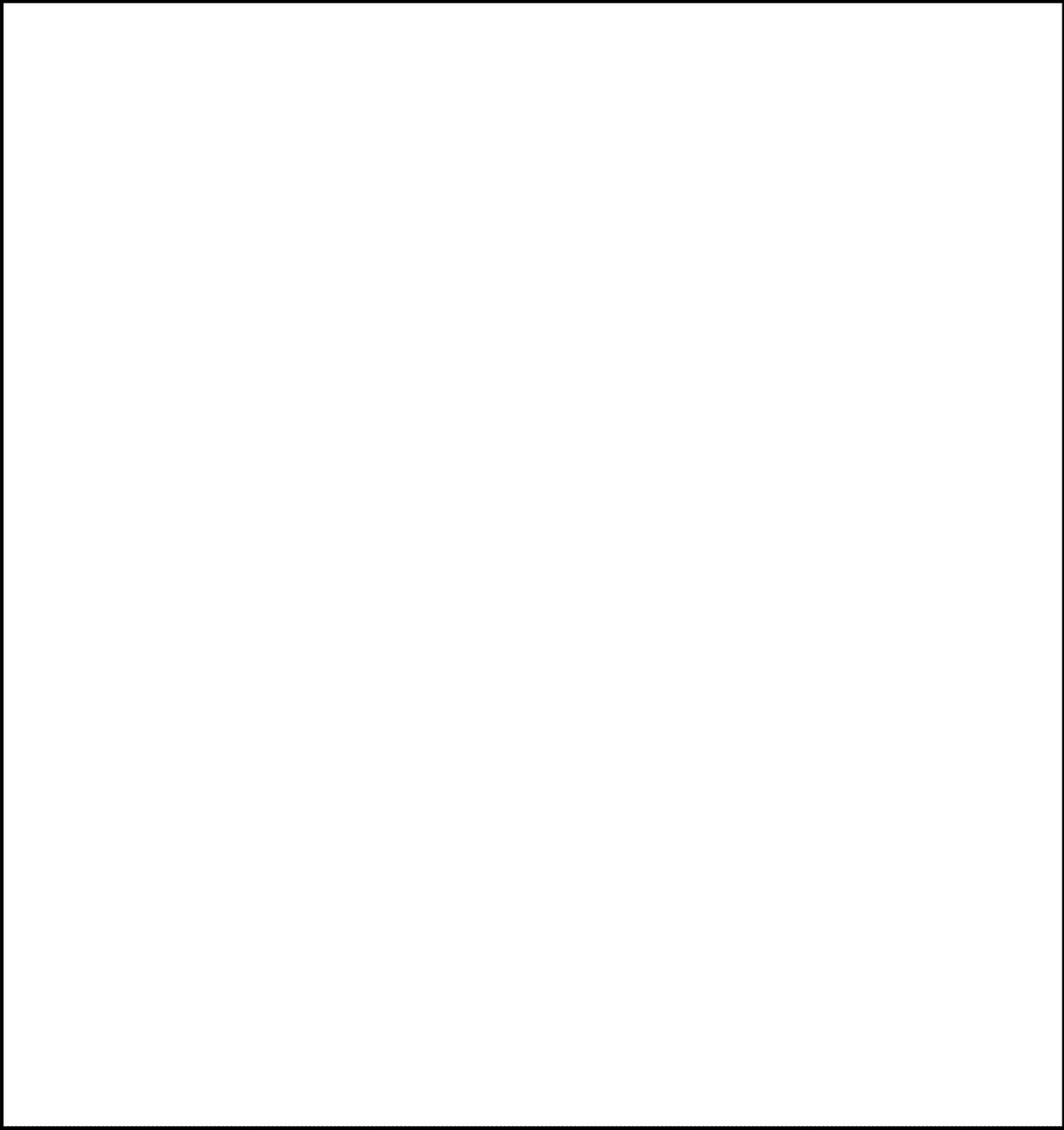


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(b)(4) *Section 2.7 Source and Use of Funds*

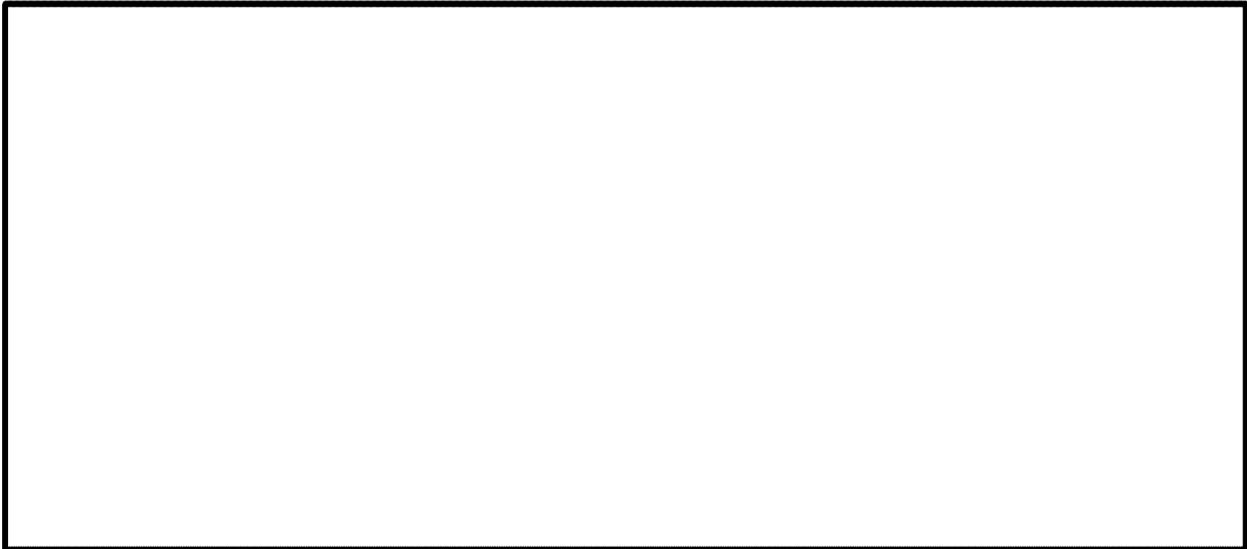


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*Cash Flows*



*Section 2.10 Job Creation Information*

A job creation model was created based on local information gathered on the SportsPlex's primary industry focuses in McHenry County through IMPLAN using 2011 data for McHenry County to conduct the analysis.

**Overview of the IMPLAN Model**

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, McHenry County, Illinois). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, one year).

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the "flow of dollars from purchasers to producers within the region." It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of "local-level multipliers" that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow

information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

Given the need to create a minimum threshold of 10 jobs per investor and the target of 21 alien investors, the total job creation must equal or exceed 210 jobs. The models below establish that the number of jobs created (combining direct, indirect, and induced) will more than exceed the minimum requirement.

**Job Creation – SportsPlex Primary Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from SportsPlex’s financial projections used to create the model for each of SportsPlex’s primary industry focus.

2012 NAICS		IMPLAN	Direct Jobs
Code	Category	Sector	
71394	Fitness and Recreational Sports Centers	407	<input type="checkbox"/>

(b)(4)

Using IMPLAN Version 3.0 with 2011 data for McHenry County and the inputs above, the following model was created which outlines the impact of the operations of the SportsPlex:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect				
Indirect Effect				
Induced Effect				
Total Effect				

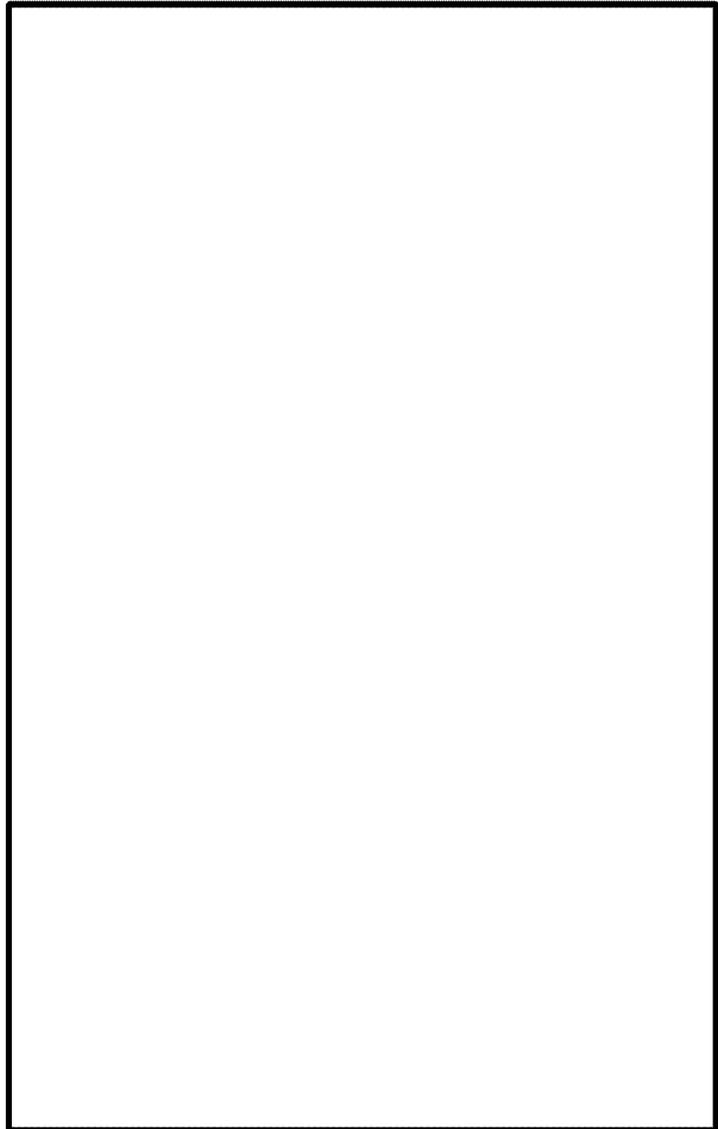
Top 10 Industries Affected

Sector	Description	Employment	Labor Income	Value Added	Output
407	Fitness and recreational sports centers				

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(b)(4)

- 360 Real estate establishments
- 413 Food services and drinking places
- 382 Employment services
- 358 Insurance agencies, brokerages, and related activities
- 388 Services to buildings and dwellings
- 394 Offices of physicians, dentists, and other health practitioners
- 421 Dry-cleaning and laundry services
- 329 Retail Stores - General merchandise
- 397 Private hospitals



**Multiplier Tables**

Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
407	Fitness and recreational sports centers						

**Job Creation – SportsPlex Secondary Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from SportsPlex’s financial projections used to create the model for each of SportsPlex’s secondary industry focuses. (b)(4)

2012 NAICS Code	Category	IMPLAN Sector	Direct Jobs
722	Food Services and Drinking Places	413	

(b)(4)

- 44512 Convenience Stores
- 45111 Sporting Goods Stores



Using IMPLAN Version 3.0 with 2011 data for McHenry County and the inputs above, the following model was created which outlines the impact of the operations of the SportsPlex:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect				
Indirect Effect				
Induced Effect				
Total Effect				

Top 10 Industries Affected

(b)(4)

Sector	Description	Employment	Labor Income	Value Added	Output
413	Food services and drinking places				
328	Retail Stores - Sporting goods, hobby, book and music				
324	Retail Stores - Food and beverage				
360	Real estate establishments				
382	Employment services				
319	Wholesale trade businesses				
388	Services to buildings and dwellings				
394	Offices of physicians, dentists, and other health practitioners				

329 Retail Stores -  
General merchandise

374 Management,  
scientific, and  
technical consulting  
services



**Multiplier Tables**

(b)(4)

Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
324	Retail Stores - Food and beverage						
328	Retail Stores - Sporting goods, hobby, book and music						
413	Food services and drinking places						



**Job Creation – SportsPlex Construction**

During the construction of the SportsPlex facilities, a significant number of construction jobs will be created. Detailed work has already been completed to determine the cost of construction.

The timeframes for necessary updating critical documents related to this project are as follows:



The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding spend from SportsPlex’s financial projections used to create the model for the SportsPlex’s construction. (b)(4)

2012 NAICS Code	Category	IMPLAN Sector	Industry Sales
23622	Commercial and Institutional Building Construction	34	

Using IMPLAN Version 3.0 with 2011 data for McHenry County and the inputs above, the following model was created which outlines the impact of the construction phase of the SportsPlex:

**Impact Type      Employment      Labor Income      Value Added      Output**

Direct Effect  
 Indirect Effect  
 Induced Effect  
 Total Effect

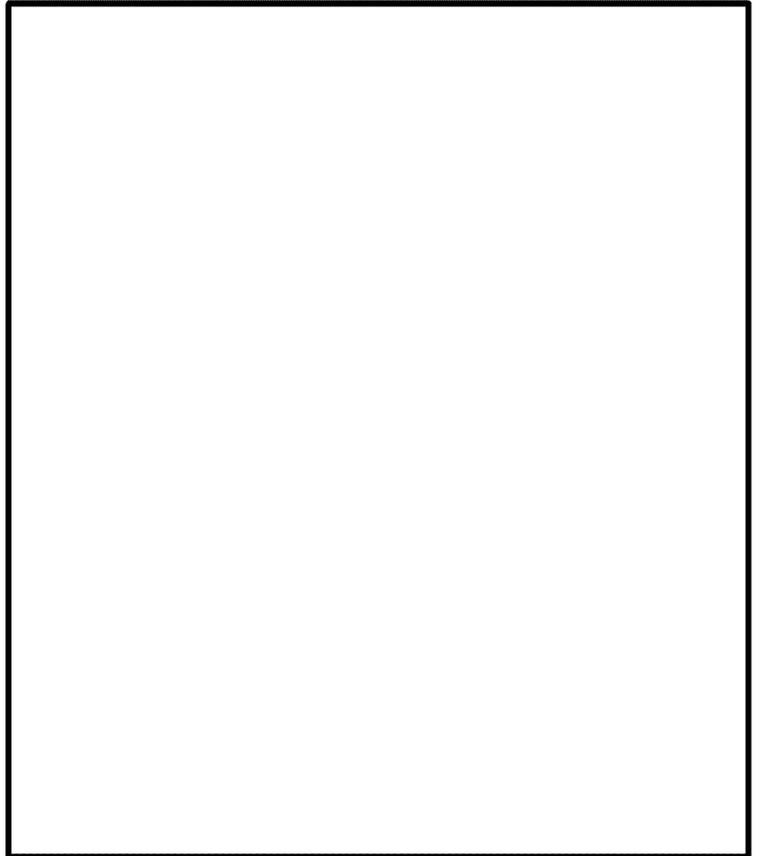


Top 10 Industries Affected

(b)(4)

Sector	Description	Employment	Labor Income	Value Added	Output
--------	-------------	------------	--------------	-------------	--------

34	Construction of new nonresidential commercial and health care structures				
369	Architectural, engineering, and related services				
413	Food services and drinking places				
394	Offices of physicians, dentists, and other health practitioners				
319	Wholesale trade businesses				
382	Employment services				
329	Retail Stores - General merchandise				
397	Private hospitals				
360	Real estate establishments				
324	Retail Stores - Food and beverage				



Multiplier Tables

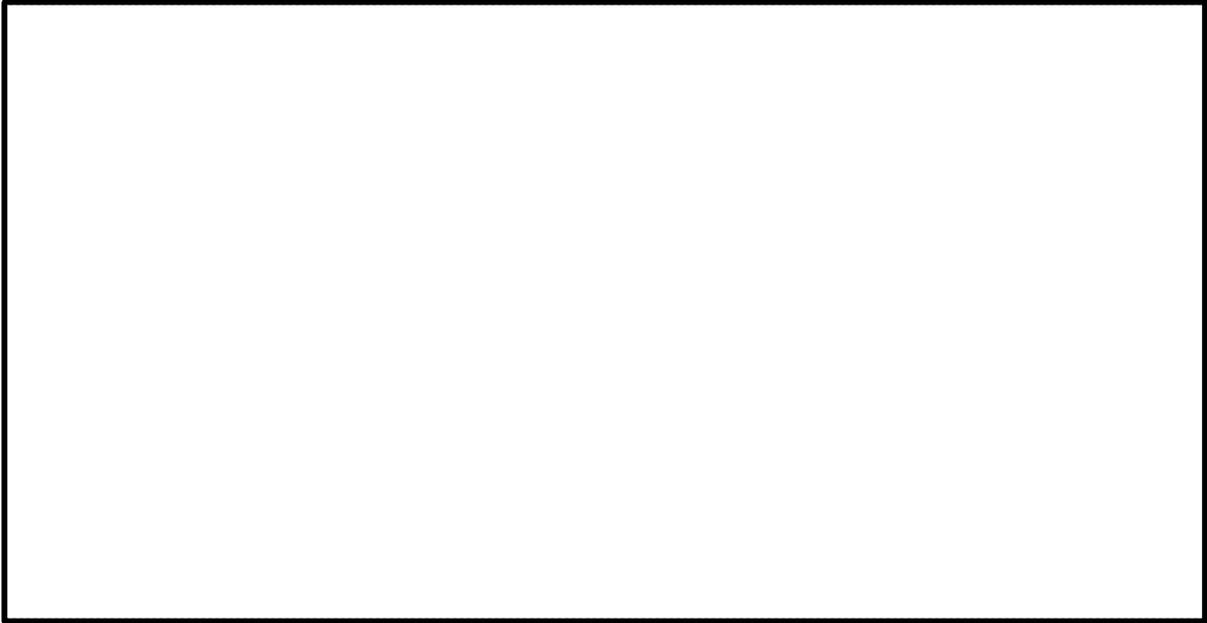
Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
34	Construction of new nonresidential commercial and health care structures						



Section 2.11 Project Timeline

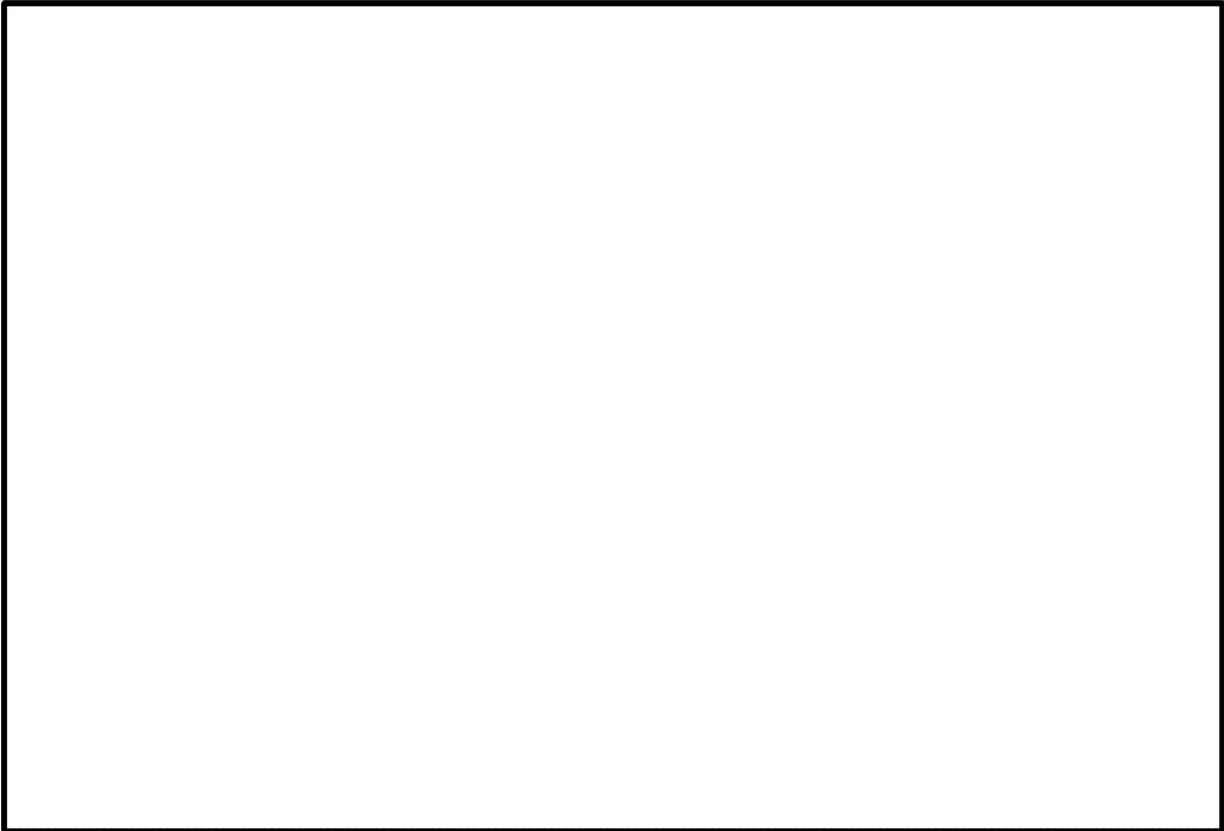
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**Section 3 • Investment Structure**



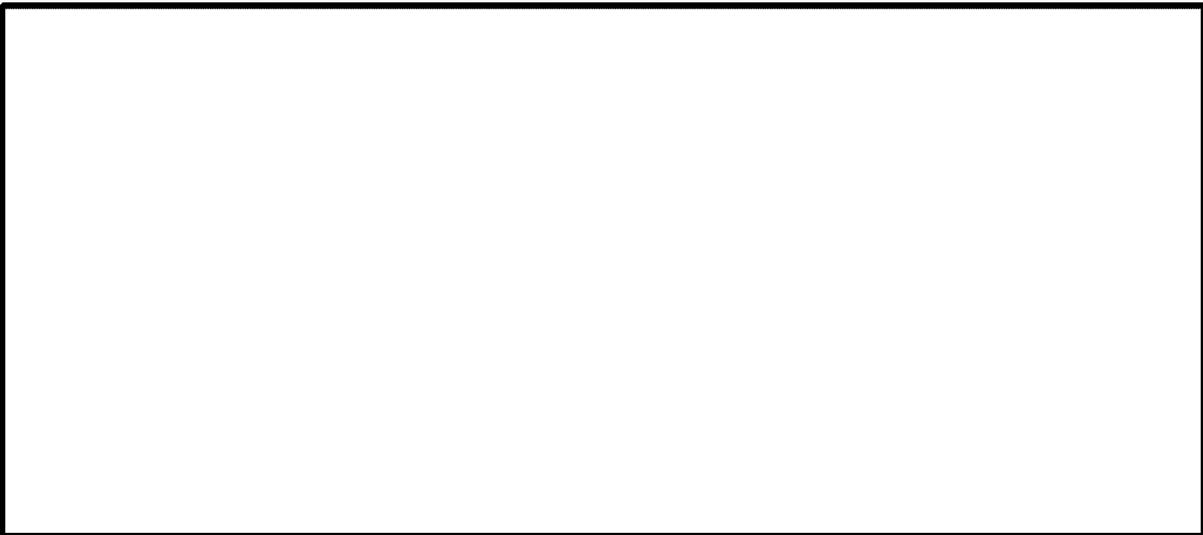
*Section 3.2 Qualification Points – EB-5 Investment Designation*

The business plan will discuss in detail all aspects of the proposed company and coverage of the basic and detailed requirements for designation as a qualified EB-5 investment including:

1. The creation of a minimum of 10 jobs per investor
2. The creation of a new enterprise
3. A reasonable level of risk to the investors
4. Participation of investors in policy-making decisions for the enterprise
5. Providing an exit strategy for investors
6. Details of distributions for investors
7. Administrative compliance in terms of full reporting of SportsPlex's activities and results

*Section 3.3 Investment Program Summary*

(b)(4)



The U.S. Immigrant Investor program is a very flexible process. The U.S. has no requirements regarding age, business training, language skills and experience. Permanent residents need not be continuously and physically present in the U.S., and they can maintain business and professional relations in their country of origin.

The U.S. Immigrant Investor Program also allows investors a great deal of freedom because it does not require these investors to manage their investment on a daily basis, but rather, to "actively engage" in a business enterprise. This means that the investor can be a member of the LLC, while they are able to pursue other professional or personal ventures at the same time.

Moreover, should an investor and his or her family elect to become U.S. citizens, the time spent as conditional permanent residents is credited towards the five year lawful permanent residency requirement for U.S. citizenship. As a permanent resident, an investor and his or her family are free to return to their homeland for visits or business purposes, as long as a residence is maintained in the United States.

[Redacted]

(b)(4)

[Redacted] In exchange, each investor will be offered the opportunity to receive Conditional Status, which can be converted to residency after a period of 18 months.

*Section 3.4 Active vs. Passive Investment*

[Redacted]

*Section 3.5 Company Privacy Policy*

In order to protect the privacy of its investors, Chicagoland SportsPlex EB-5 Fund, LLC will establish a policy not to disclose the names of its investors without the investor’s prior agreement unless required to do so by law. However, each investor has the legal right of access to names, contact information, and percentage of ownership of the other investor members of Chicagoland SportsPlex EB-5 Fund, LLC.

*Section 3.6 Exit Strategy Options*

(b)(4)

[Redacted]

*Section 3.7 Application Process*

To become an immigrant investor in an Investor LLC, a potential investor will take the following steps:

- | <b>STEP</b> | <b>IMMIGRATION PROCESS</b>  |
|-------------|---|
| 1           | Investor researches website, is referred by an agent or receives marketing materials. Investor registers via website, email, fax or in writing. |
| 2           | Investor receives description of project, wire transfer instructions,   |

Subscription Agreement, Capital Escrow Agreement, Escrow Agreement for Service Fees and Subscriber Suitability Questionnaire.

- 3 (b)(4) Investor signs and returns Escrow Agreement for Service Fees and wires [REDACTED] Service Fee to the Investor LLC Escrow Account.
- 4 Investor completes, signs and returns Subscriber Suitability Questionnaire, Subscription Agreement and Capital Escrow Agreement. Investor receives Offering Memorandum and Operating Agreement for review. Investor signs and returns Operating Agreement.
- 5 Upon acceptance, Investor remits capital investment (minimum of \$500,000 USD) to the Investor LLC Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.
- 6 Investor submits all documents required for filing I-526 with USCIS to their Legal Representative.
- 7 Investor's Legal Representative prepares I-526 filing for USCIS.
- 8 I-526 Petition and Notification.
- 9 Investor elects adjustment of status or consular processing.
- 10 Upon approval of the Petition, (a) if the investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the investor must wait for notification from the National Visa Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.
- 11 Once issued conditional permanent resident status (I-526 approval) the clock starts ticking! Job creation (10 full-time positions per investor) must take place during the two year period following approval of the I-526. The investor may then file an I-829 to request that conditional status be removed.
- 12 Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.

The application process detailed above is for general information and guidance only. Actual

procedures will vary according to individual circumstances.

### *Section 3.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the investor plans to continue working or investing in her or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

## **Section 4 • Administration and Documentation**

### *Section 4.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify potential investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

### *Section 4.2 Investor Information Requirements*

- Master Documents
- Passport
- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature
- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates

- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

### *Section 4.3 Sources of Funds*

Sources of investor funds will be verified, with a comprehensive review of all documentation. The Company requires that each investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the EB-5 investment.

Types of investment sources that are to be thoroughly detailed by the investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment
  - Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the investor
  - Approximate annual cost of fringe benefits
  - Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
  - Earnings distribution to the investor that will be used to fund the EB-5 investment
- Net Proceeds from the Sale of a Business. Again the information and documentation required is substantial, including:
  - Gross proceeds, as verified by the sales contract
  - Expenses associated with the sale
  - Net sale proceeds, including any deferred payments and a schedule of such payments
  - Investor's net proceeds from the sale
  - Total cash collected by the Investor from the sale including information on funds

- already expended or deposited elsewhere
- Net amount to be used for EB-5 investment

In support of this information, the investor will be required to submit:

- Incorporation or other organizational documents of the business
  - Stock certificates (or other evidence of ownership)
  - Closing statement for the sale of the business
  - Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- **Net Proceeds from the Sale of Real Estate.** For this source, the investor must supply:
    - Street address and full description of property
    - Date acquired and initial investment plus any additional investments
    - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
    - Date property sold, net sales price, and net price after selling expenses
    - Name and address of purchaser, as well as type of entity
    - Amount used to pay mortgages/debt payments and other owners
    - Net amounts being used to fund EB-5 investment
  - **Net Proceeds from the Sale of Investments or Other Assets.** Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
  - **Employment earnings.** The investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net earnings for the past five years.
  - **Income or other Tax Refunds.** Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.
  - **Loans.** The investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category, the investor must provide additional documentation, including:
    - Copy of bank statement showing the deposit of the loan proceeds
    - Copy of promissory note and security agreement(s), as applicable
    - Copy of loan closing statement, if applicable
  - **Gifts.** For gifts, in addition to providing the giver's information and type of entity, the investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the investor must provide:

- Copy of bank statement showing the deposit of the proceeds from the gift
- Copy of any relevant correspondence regarding the gift
- Inheritance. For proceeds from inheritances, the investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the EB-5 investment. Again, the primary source of the decedent’s funds must be identified, in order to establish the legitimacy of the original source of funds. The investor must provide:
  - Copy of bank statement showing the deposit of inherited funds
  - Copy of legal or other relevant correspondence regarding the inheritance
- Retirement Funds. If using retirement funds for the EB-5 investment, the investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the EB-5 investment. Documentation required includes:
  - Copy of statement of account showing the balance in the retirement account, if applicable
  - Copy of other relevant correspondence regarding the retirement account
- Support from a Parent/Relative/Guardian or Other Person. In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the investor must provide information regarding any repayment obligation related to these support payments. For this category, the investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor’s expense, to the Company in both the original form of the document and with a certified translated copy in English. While it is the responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, the Company has the right to conduct an internal review to ensure that the investor is in fact qualified for the EB-5 program.

*Section 4.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount
Project Administrative Fee (in accordance with the terms as set forth in the	[REDACTED]

(b)(4)

Subscription Agreement)	
Wire Transfer to the LLC Escrow Account (to be released in accordance with the terms set forth in the Escrow Agreement)	\$500,000 <sup>1</sup>

## Section 5 • Legal and Risk Planning

### Section 5.1 LLC Creation

Chicagoland SportsPlex EB-5 Fund, LLC will be formed as a Limited Liability Company in the State of Illinois. A limited liability company (LLC) is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

### Section 5.2 Due Diligence

Under USCIS regulations the investor must demonstrate that their assets were gained in a lawful manner. The investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

Chicagoland SportsPlex EB-5 Fund, LLC requires an investor to reveal where and how they received their assets that are used for qualifying for the EB-5 program. This may be accomplished through certificates by the investor's licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, the LLC will require proper documentation from the investor. The investor is required, at the investor's expense, to furnish the documentation to the LLC in both the original form of the document and with a certified translated copy in English. Upon receipt, the LLC will perform a 4-step review process.

**Financial Documents to Establish Source of Funds:** The investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

---

<sup>1</sup> Conditional upon final approval by USCIS of TEA designation, otherwise \$1,000,000.

**Transfer of Funds:** The investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

**Financial Statements:** Financial information that evidences a net worth of at least \$1,000,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the investor and each qualifying household member of the investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least 6 months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

#### *Section 5.3 Document Review and Verification Policy*

Financial source of funds document will be fully reviewed at several separate levels:

- The Escrow/Funds Transfer Agent
- The LLC's Bank
- The LLC's CPA firm
- The Investors U.S. Immigration Counsel
- The LLC's Members

The initial review process will focus on the type of payment and the information provided by the potential investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the investor is incomplete or suspicious in any way, the investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the potential investor, the potential investor's subscription will be rejected and investment funds returned to the investor in accordance with the Escrow Agreement.

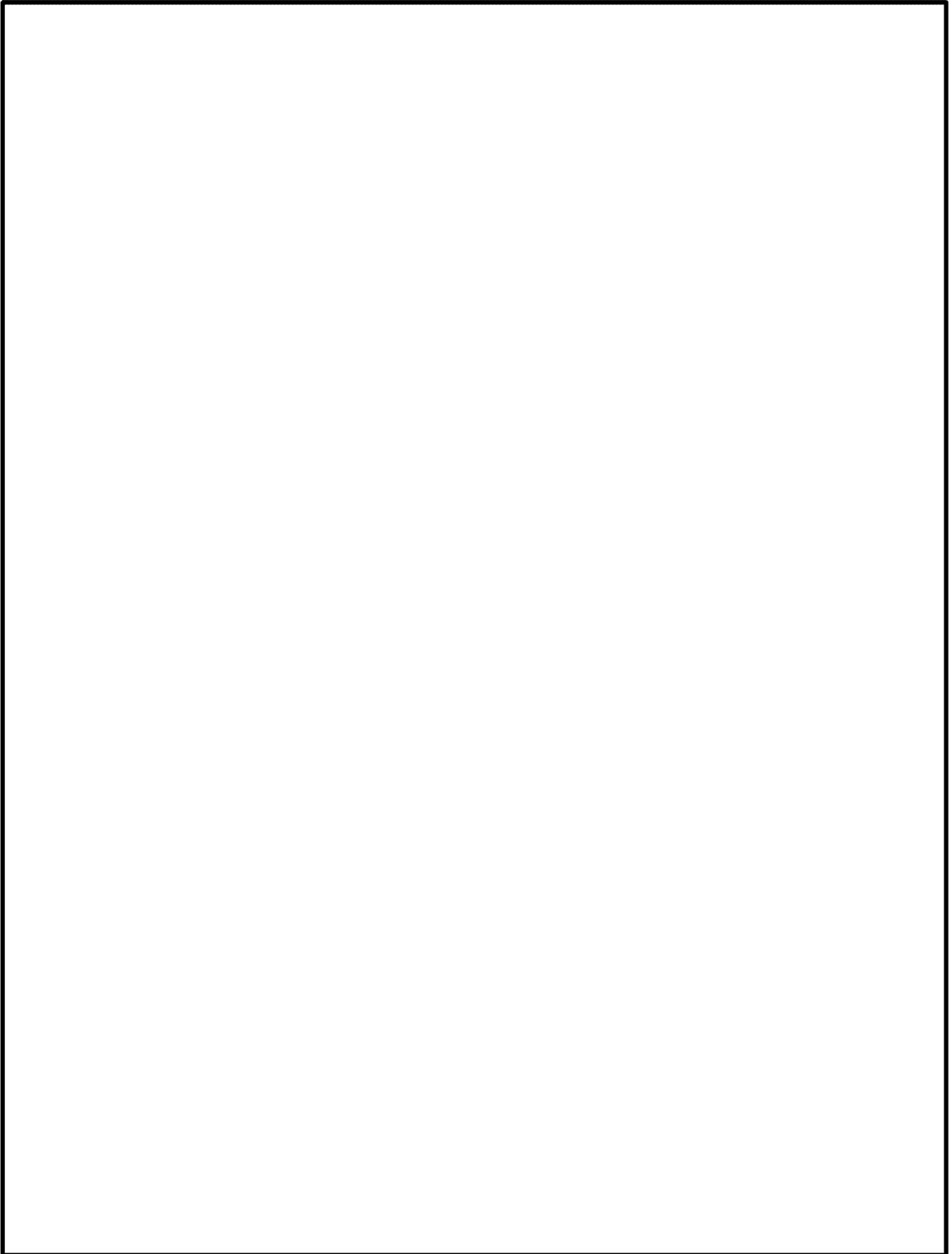
#### *Section 5.4 Project Risks*

##### **Risk Factors**

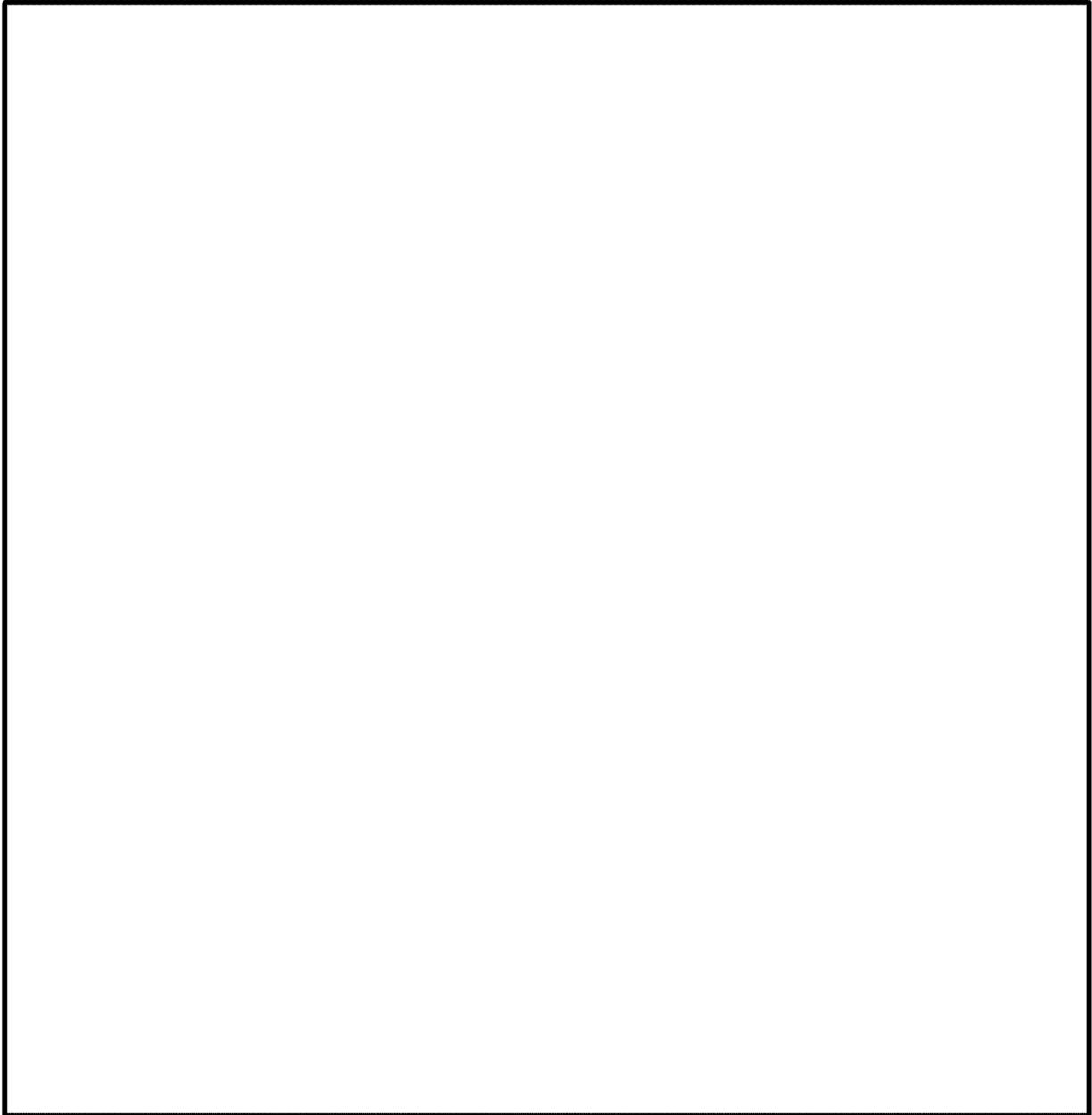
The LLC and the SportsPlex are subject to all the risks normally associated with a new enterprise. The investment is suitable only for those persons who have a continuing high amount of annual income and substantial net worth, who can afford to bear such risks and who have no need for liquidity from such investment. Each prospective investor should consider carefully the risk factors attendant to the purchase of Units, including, but not limited to, those discussed below, and should consult with his own legal, tax and financial advisors with respect thereto. The acquisition and ownership of the Units involve a high degree of risk. Prospective purchasers of the Units should be aware of the risk factors related to the offering and should consider, among others, those factors set forth below:

(b)(4)

**Business Risks**



(b)(4)



Immigration Risks

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of the Company. These include the investor's past history and quotas established by the USCIS limiting the number of visas granted to investors in a single year. Although the Company has been structured so that each Member may qualify for permanent residency under the employment creation immigrant investor provisions of the U.S. immigration laws, no assurance can be given that each investor will obtain approval of his particular immigrant petition.

Each prospective investor should consult competent immigration counsel to review the likelihood that the investor's Immigrant Petition will be granted.

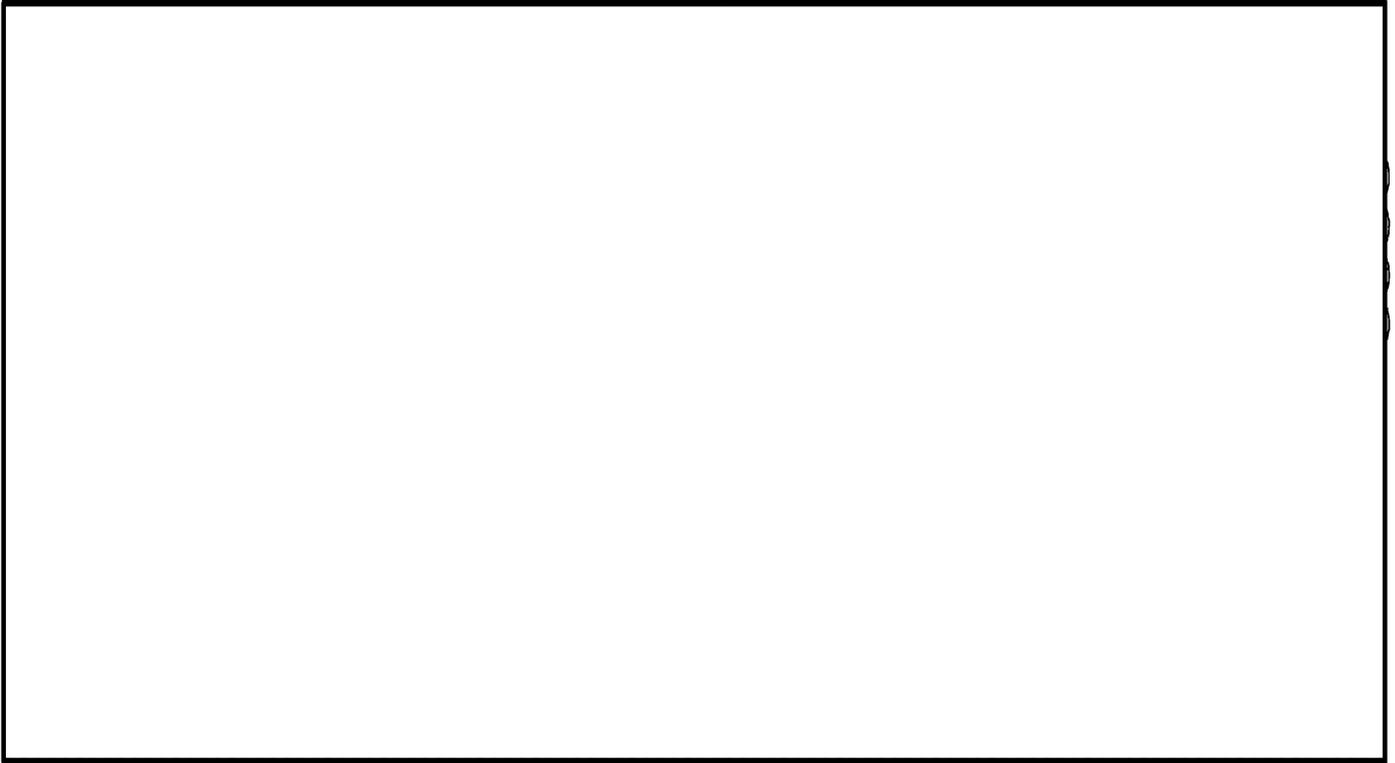


**Appendices**

*Appendix A – Financials*

(b)(4)

**Projected Cash Flow**



(b)(4)

McHenry County Sportsplex  
Forecasted P&L

A large empty rectangular box with a black border, representing a redacted table. The box is intended to contain the forecasted P&L data for the McHenry County Sportsplex, but the content is obscured by a redaction.

(b)(4)

Other Revenue



*Appendix B – Architectural Renderings of SportsPlex Project*

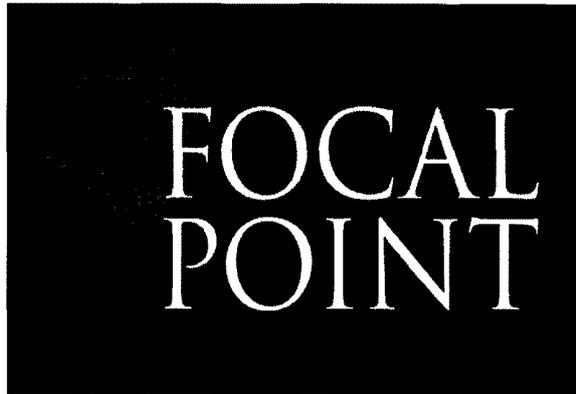


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# Business Plan



*This document contains confidential and proprietary information belonging exclusively to  
Chicago Southwest Development Corporation  
This is a business plan. It does not imply an offering of securities.*

**Table of Contents**

Table of Contents..... 2

Section 1 • Executive Summary ..... 4

    Section 1.1 Project Company..... 4

    Section 1.2 Specific Industry Focus..... 4

    Section 1.3 Geographic Location ..... 4

    Section 1.4 Project Company Contacts..... 5

    Section 1.5 Financing ..... 5

Section 2 • Chicago Southwest Development Corporation ..... 6

    Section 2.1 Company Overview ..... 6

    Section 2.2 The CSDC Model..... 9

    Section 2.3 Operating Assumptions..... 11

    Section 2.4 Market Demographics..... 12

    Section 2.5 Community Support..... 19

    Section 2.6 Source and Use of Funds..... 20

    Section 2.7 Financial Projections ..... 21

    Section 2.8 Job Creation Information ..... 21

    Section 2.09 Project Timeline ..... 27

Section 3 • Investment Structure ..... 27

    Section 3.1 LLC Structure and Investor Safety..... 27

    Section 3.2 Qualification Points – EB-5 Investment Designation ..... 28

    Section 3.3 Investment Program Summary ..... 28

    Section 3.4 Active vs. Passive Investment ..... 29

    Section 3.5 Company Privacy Policy ..... 29

    Section 3.6 Exit Strategy Options..... 30

    Section 3.7 Application Process..... 30

    Section 3.8 Investor Tax Considerations..... 31

Section 4 • Administration and Documentation ..... 31

    Section 4.1 Investor Qualifications and Credits..... 31

    Section 4.2 Investor Information Requirements ..... 32

    Section 4.3 Sources of Funds ..... 32

    Section 4.4 Summary, Investor Remittance Requirements..... 35

Section 5 • Legal and Risk Planning ..... 35

    Section 5.1 LLC Creation ..... 35

    Section 5.2 Due Diligence ..... 35

    Section 5.3 Document Review and Verification Policy..... 37

    Section 5.4 Project Risks ..... 37

Appendices..... 41

    Appendix A – Financial Projections..... 41

    Appendix B – Architectural Renderings of Focal Point Campus ..... 42

    Appendix C – Whitepaper – “Creating Community-Centric Hospitals in Lower Socioeconomic Areas: A Study in Chicago’s Near Southwest Side”, HDR, April 2012..... 44

Appendix D – Executive Summary – Campus Model: Financial Summary Template prepared by Shannon Capital Management, LLC, January 4, 2012..... 45

Appendix E – Executive Summary – Feasibility/Developmental Analysis of Focal Point prepared by Jerold Panas Linzy & Partners ..... 46

Appendix F – Retail Potential Analysis – prepared by Jones Lang LaSalle, September 24, 2012 ..... 47

Appendix G – “No Small Plans: Rahm’s ‘strategic vision’ for seven neighborhoods” – Chicago Sun Times, March 18, 2013..... 48

Appendix H – TEA designation letter dated April 16, 2013 ..... 49

## Section 1 • Executive Summary

### *Section 1.1 Project Company*

CHICAGO SOUTHWEST DEVELOPMENT CORPORATION, NFP (also referred to herein as “CSDC”)

Agent: Aileen M. Brooks

2875 W 19<sup>th</sup> Street

Chicago, IL 60623

<http://www.chicagosdc.com/>

### *Section 1.2 Specific Industry Focus*

CSDC’s primary industry focus is:

- ❖ NAICS 23622 – Commercial and Institutional Building Construction

Through tenant projects, jobs will also be created in the following industries:

- ❖ NAICS 622 – Hospitals
- ❖ NAICS 621 – Ambulatory Health Care Services
- ❖ NAICS 611 – Educational Services
- ❖ NAICS 722 – Food Services and Drinking Places
- ❖ NAICS 6244 – Child Day Care Services
- ❖ NAICS 71394 – Fitness and Recreational Sports Centers
- ❖ NAICS 8132 – Grantmaking and Giving Services
- ❖ NAICS 8133 – Social Advocacy Organizations
- ❖ NAICS 452 – General Merchandise Stores
- ❖ NAICS 53 – Real Estate and Rental and Leasing
- ❖ NAICS 624 – Social Assistance

### *Section 1.3 Geographic Location*

Chicago Southwest Development Corporation is a not-for-profit organization dedicated to providing support and coordination of health care and programs and services in the community area around Saint Anthony Hospital, a related tax-exempt organization. To further expand its efforts to support the well-being of the community, Chicago Southwest Development Corporation is spearheading the development of the Focal Point community campus (“Focal Point” or the “Project”), which will focus on the complete well-being of community members, instead of purely on one element, such as health care.

Focal Point community campus will provide valuable programs and services to more than 400,000 residents in the Southwest Chicago communities, while serving as a national model for community development. The campus will reside on an 11-acre site at 31st and Kedzie in Southwest Chicago, the former site of the Washburne Trade School.

The 1 million square-foot complex will offer a range of retail, wellness, education, arts and recreation elements focused on the complete well-being of community members, instead of purely on one element, such as health care. However, a relocated Saint Anthony Hospital will serve as a tenant of the campus and will continue to provide emergency and medical care that turns no one away, regardless of ability to pay. There will also be an outpatient and specialty clinic, to meet a wide range of rehabilitative and health maintenance needs.

The location at 31<sup>st</sup> and Kedzie is located in a Targeted Employment Area (“TEA”) as defined by USCIS and as designated by the State of Illinois (See Appendix H).

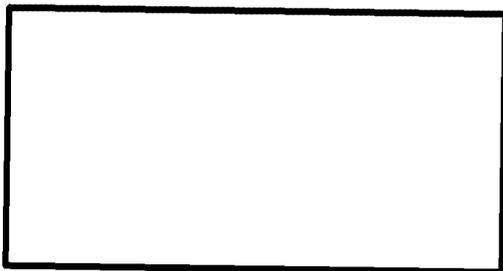
*Section 1.4 Project Company Contacts*

Guy Medaglia  
President & Chief Executive Officer  
2875 West 19<sup>th</sup> Street  
Chicago, IL 60623  
(773) 484-4436  
[gmedaglia@chicagosdc.com](mailto:gmedaglia@chicagosdc.com)

Christine A. Raguso  
Vice President  
2875 West 19<sup>th</sup> Street  
Chicago, IL 60623  
(773) 484-4436  
[craguso@chicagosdc.com](mailto:craguso@chicagosdc.com)

*Section 1.5 Financing*

The project is anticipated to cost approximately  The financing breakdown is as follows:



(b)(4)

## **Section 2 • Chicago Southwest Development Corporation**

### *Section 2.1 Company Overview*

#### **Legal Form of Ownership**

Chicago Southwest Development Corporation is a 501(c)3, Not-For-Profit corporation organized in the State of Illinois.

#### **Company Overview**

Chicago Southwest Development Corporation is a not-for-profit organization dedicated to providing support and coordination of health care and programs and services in the community area around Saint Anthony Hospital, a related tax-exempt organization. For more than 100 years, Saint Anthony Hospital has helped carry out its healthcare mission by serving its community. Providing for the health of the community is much broader than traditional health care. In order to achieve a healthy life, people must be able to buy healthy food, feed their minds with education, nurture their creativity through the arts, have a place to send their children to keep them off the streets, and have jobs to support their families. To further expand its efforts to support the well-being of the community, and with plans for a nearly 1 million square foot complex, Chicago Southwest Development Corporation is spearheading the development of the Focal Point community campus, which will focus on services required for the complete well-being of community members, instead of purely on one element, such as health care.

The Focal Point community campus will serve as a source of financially sustainable community development to help improve the lives of more than 400,000 residents on the West and Southwest Sides of Chicago, representing North Lawndale, Little Village, Pilsen, Brighton Park, Back of the Yards, and Archer Heights neighborhoods. The new campus will be housed on the approximately 11-acre lot of land at 31st and Kedzie, the former site of the Washburne Trade School.

Chicago Southwest Development Corporation - along with leaders from Saint Anthony Hospital - is leading this project that will serve as a model to change the face of community development across the country.

Together, these organizations have a legacy in the Chicago area of serving as leaders, staying true to their inclusive, neighborhood-driven philosophy to strengthen the community through the power of partnership and quality health care that leaves no one behind.

It's this future-thinking and collaborative philosophy that led to the vision for the new community campus and its inventive model.

The Focal Point community campus concept is a game changer. Once the campus is built, the income from its for-profit elements will supplement the financial needs of the not-for-profit elements, providing a much-needed solution to deliver medical, education and other services to the community.

Current plans for the campus include:

- **Retail tenants**, providing community members access to food, clothing and household items.
- A **hospitality center** for community members to rent for personal use.
- A **child care center**, offering parents a convenient location for quality child care.
- An **outpatient and specialty clinic**, to meet a wide range of rehabilitative and health maintenance needs.
- A newly constructed **Saint Anthony Hospital**, which will continue to provide emergency and medical care that turns no one away, regardless of ability to pay.
- An **education center**, offering preventive education programs.
- A **center for creativity**, where inner city youth will be encouraged to develop their talents.
- A **recreation center**, complete with a basketball court and half Olympic-size pool, providing a sanctuary for at-risk youth.
- A variety of **wellness programs** that will provide information on topics such as healthy food preparation, parenting skills and more.

## Management Team

*Guy A. Medaglia – President & Chief Executive Officer.* Mr. Medaglia is the President and Chief Executive Officer of Saint Anthony Hospital in Chicago, Illinois. Prior to Mr. Medaglia's appointment at Saint Anthony Hospital, he was a Managing Director for FTI Healthcare (formerly Cambio Health Solutions). Mr. Medaglia has an accomplished background in healthcare, including executive management positions for an academic medical center, and multiple urban community hospitals both freestanding and as part of a Catholic health system. During his career in the healthcare industry, he designed and implemented numerous strategic initiatives around expense improvement, product line evaluation and modification, revenue enhancement, quality improvement, physician relations and physician contract management.

Mr. Medaglia has specialized in assisting senior management, boards of directors and creditors in the areas of operational restructuring and performance improvement assessment and implementation. Prior to FTI, Mr. Medaglia was senior operations executive for Roger Williams Medical Center; vice president and managing director for Li Moran International, Inc.; senior vice president for Montgomery Ward Corp.; vice president for Hook-SupeRX, Inc.; and divisional vice president for Sara Lee Corp.

Mr. Medaglia's experience also includes design, implementation and project management of supply chain, productivity and strategic planning initiatives for multiple client companies. Mr. Medaglia has advised senior management and board members on acquisitions, new business initiatives and new market ventures. Outside the healthcare industry, Mr. Medaglia participated in the financial turnaround of two regional retail chains, managed the \$50 million system integration of two merged corporations, and led the acquisition and integration of two retail companies along with the consolidation of two corporate headquarters.

Mr. Medaglia holds a Bachelor of Science in Management from Meyer University and a Masters of Science in Management from Salve Regina University. He also is a member of the American College of Health Care Executives.

*Peter V. Fazio, Jr. – Chairman of the Board.* Mr. Fazio is a past Chairman, Executive Committee Member and Managing Partner of Schiff Hardin. He has a wide-ranging general business practice with concentrations in finance and regulated industry matters.

He has served as a director of public and private corporations and as corporate secretary to numerous clients.

Mr. Fazio currently serves as a member of the Board of Directors of Commonwealth Edison Company, a unit of Exelon Corporation, one of the nation's largest electric utilities. ComEd maintains the electric transmission and distribution system in northern Illinois and customer operations for more than 3.7 million customers across the region, or 70% of the state's population.

While at Schiff Hardin, from 2000 through 2006, Mr. Fazio served as Executive Vice President and General Counsel for NiSource Inc., a Fortune 500 utility holding company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to more than 3.3 million customers.

Mr. Fazio holds a Juris Doctorate (with distinction) from the University of Michigan Law School and is a member of the American Bar Association, the Illinois State Bar Association, and the Chicago Bar Association.

*Aileen Brooks – General Counsel.* Ms. Brooks is the Vice-President and General Counsel of Saint Anthony's Hospital in Chicago, Illinois. With 21 years of legal experience, Ms. Brooks oversees the legal department, general corporate matters, governance, compliance, insurance, litigation, risk management, employee health and security. Ms. Brooks joined Saint Anthony Hospital in November, 1999.

From 1996 to 1999, she practiced in the Chicago office of a multinational law firm serving clients in a variety of legal matters including insurance/reinsurance litigation and consumer credit class action litigation. Prior to moving to Chicago, Ms. Brooks worked as an attorney/solicitor in a boutique solicitor firm in London, England, concentrating her practice on defending professional

liability claims. While attending law school, Ms. Brooks continued to work as the trauma nurse coordinator at Henry Ford Hospital in Detroit, Michigan.

Ms. Brooks holds a Juris Doctorate from the University of Detroit, a B.S. in Health Care Administration with a Certificate of Business Administration from the University of Detroit and an Associate of Science in Nursing. She is admitted to practice law in Illinois and Michigan (currently inactive) and as a Solicitor of the Supreme Court of England and Wales (currently inactive). She is also a licensed Registered Nurse in the State of Michigan.

*Christine A. Raguso – Vice President, Professional Services.* Ms. Raguso has over 17 years of experience in economic and community development and oversees the ancillary functions of the Saint Anthony’s Hospital including the creation and implementation of a new clinic model and the development of the new Focal Point community campus.

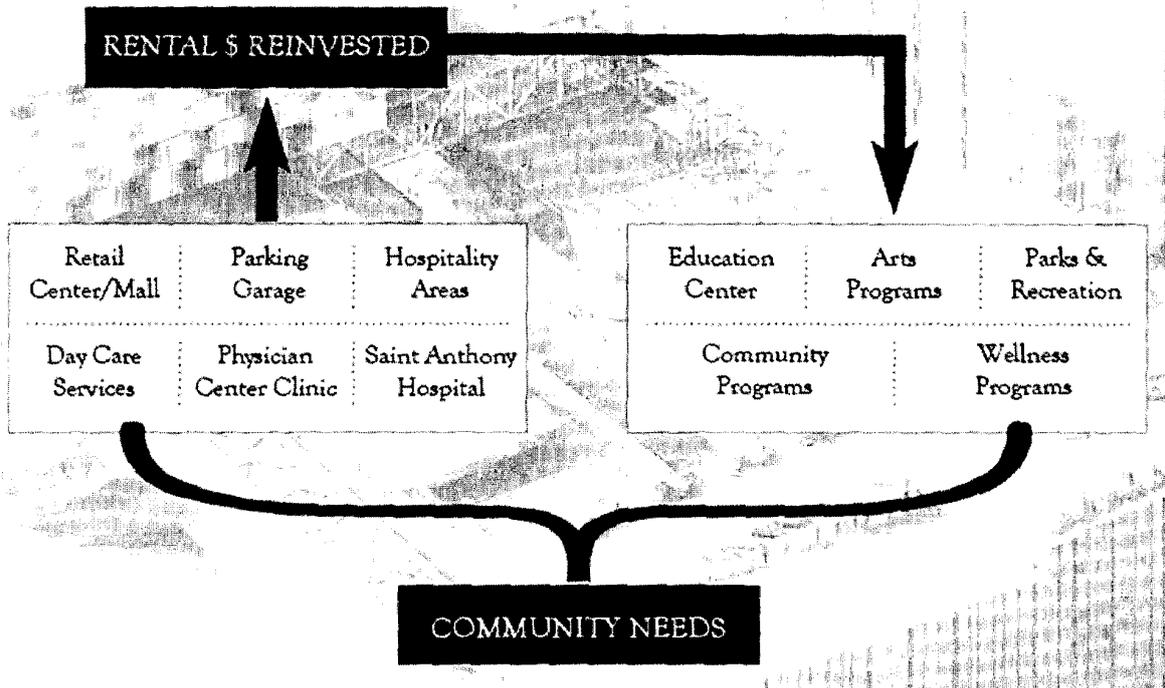
Ms. Raguso came to Saint Anthony Hospital from the City of Chicago where she held various roles including Deputy Chief of Staff to Mayor Richard M. Daley for Economic and Community Development as well as Acting Commissioner for the Department of Community Development. At the Department of Community Development she oversaw 187 staff members and an annual budget of \$355 million. From 2004 to 2007 she worked at DLA Piper Chicago as Development Coordinator providing comprehensive oversight and analysis of city regulations, coordination and preparation of various zoning and other land use applications for projects in various municipalities. Prior to DLA she worked as the Development Manager at Perkins & Will Chicago coordinating the business development efforts of the corporate, commercial, civic and higher education market sectors.

Ms. Raguso holds an MBA from the Keller Graduate School of Business in Chicago and a B.A. in Political Science from the University of Illinois at Chicago. She currently sits on the Greater Grand Crossing/Gary Comer Youth Center Advisory Board.

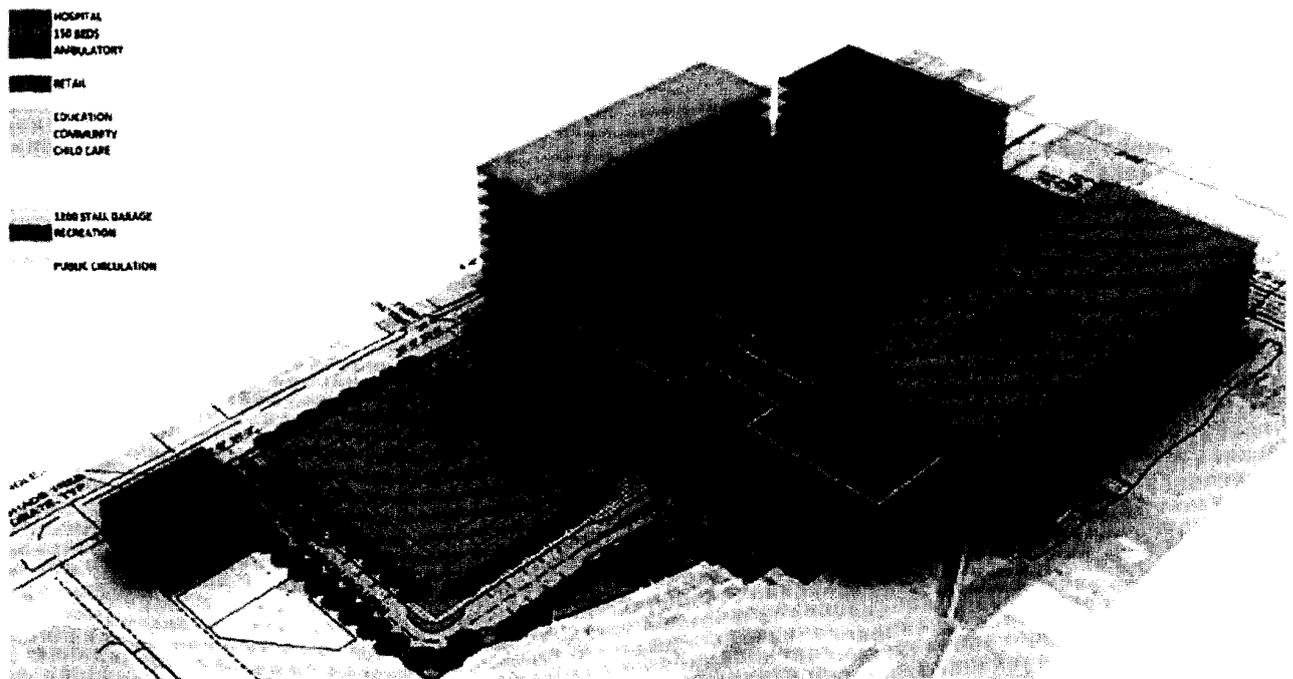
### *Section 2.2 The CSDC Model*

The Focal Point community campus concept is a game changer. This breakthrough model will be a financially self-sustaining community campus, using the income from its for-profit elements to supplement the financial needs of the not-for-profit elements, providing a much needed solution to deliver medical, education and other services to the community.

## A MODEL FOR SUSTAINABLE COMMUNITY DEVELOPMENT



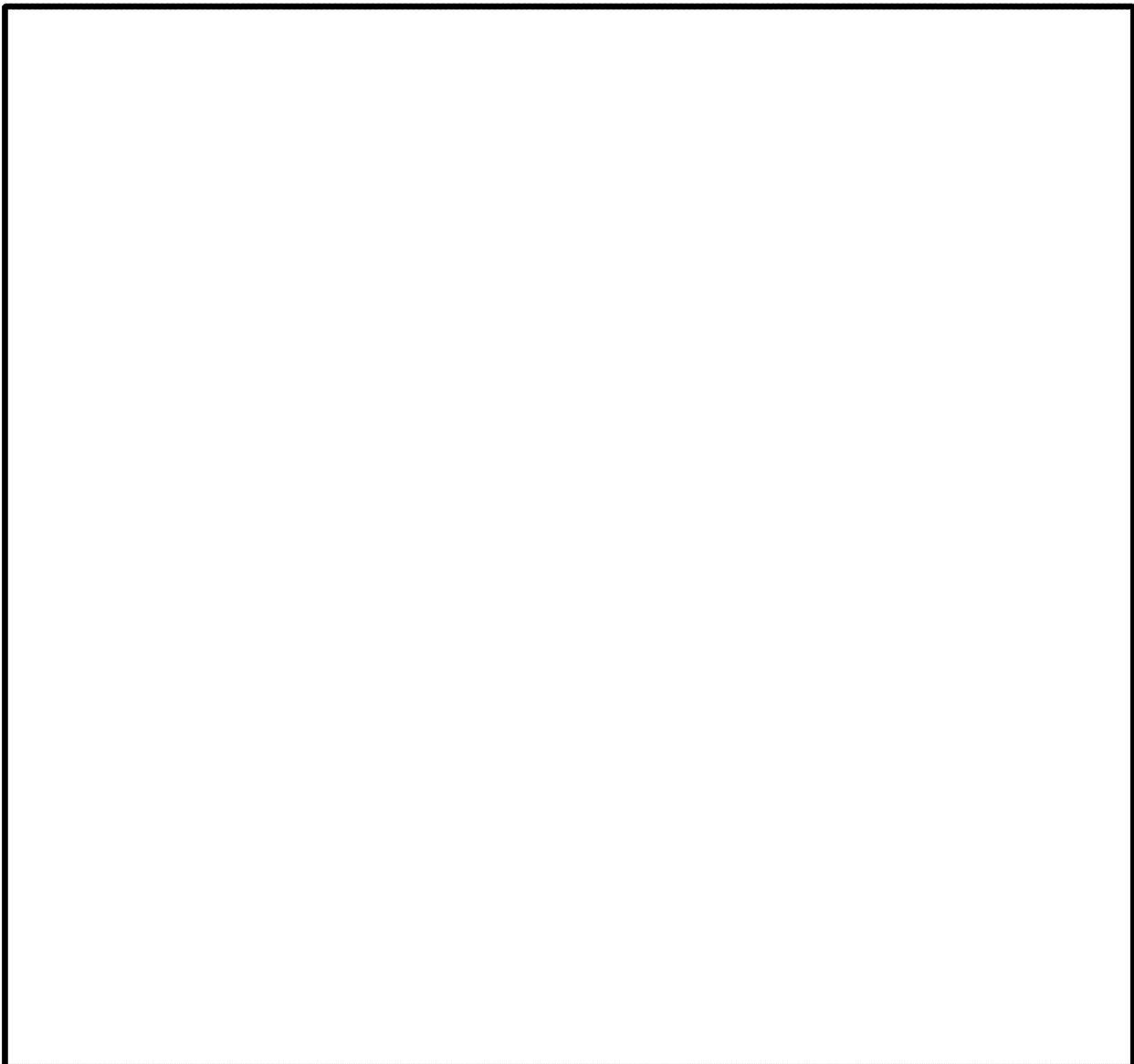
Through the campus model, rental income from revenue-generating tenants—such as retail stores and schools, hospitality and day care, a parking garage, and Saint Anthony Hospital and its outpatient clinic—will be reinvested into programs and services provided through the campus, such as continuing education and wellness classes, a center for creativity, a park and recreation center.



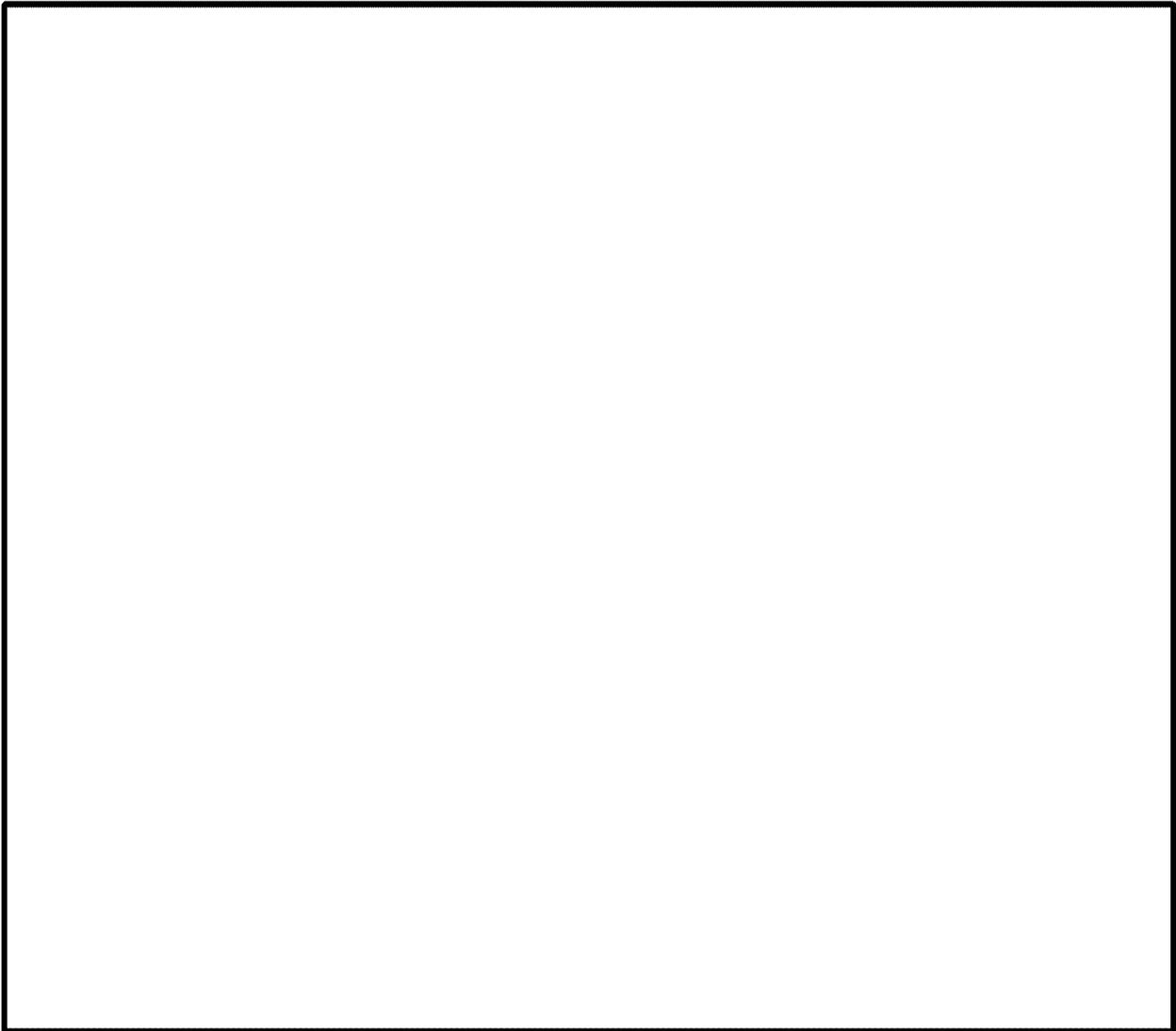
The Focal Point community campus model is attracting interest in academia, and was the subject of a research study conducted by University of Nebraska Medical Center College of Public Health, the University of Nebraska-Lincoln College of Architecture, and HDR Architecture to help CSDC better understand the needs of the Southwest and West Chicago area community. In a white paper published in April 2012 that details the study, the research affirms that “[Focal Point] represents new social, economic, education and wellness opportunities that can significantly improve the health and quality of life of local residents.” Researchers employed several tactics to ensure a complete representation of the population, including key informant interviews, a community cross-sectional survey, focus groups and a spatial analysis with the Geographic Information Systems (GIS) analytical tool. A copy of the white paper can be found in Appendix C.

*Section 2.3 Operating Assumptions*

(b)(4)



(b)(4)



### **City Support**

Focal Point has received significant support from the City of Chicago. The City granted the land for project site (31<sup>st</sup> and Kedzie) to CDSC for \$1. The land had previously been appraised for \$2.1 million. The mayor of Chicago, Rahm Emanuel has included Focal Point as part of his strategic vision for the city (see Chicago Sun Times article in Appendix G). This continuing and significant support from the city will help to make the project more attractive to philanthropists and provides awareness and positive press to attract retailers to the Project.

### *Section 2.4 Market Demographics*

Chicago is the third largest city in the United States in terms of population. According to the 2010 census, Chicago has a population of 2,695,598. However the 2012 estimate puts the population of the city at 2,714,856 with a population growth of .71%.

The City of Chicago covers an area of 60,000 hectares and sits 176 meters (578 feet) above sea level on the southwestern shore of Lake Michigan. At 190 km wide and 495 km long, it is the 5th

largest body of fresh water in the world. The city is traversed by the Chicago and Calumet rivers. Chicago's extensive parklands, including 3,000 hectares of city parks attract an estimated 86 million visitors annually.

With a workforce of over 4 million spread across all major occupational groups, Chicago has the depth and variety of workforce to meet the needs of just about any business.

In Chicago, firms that rely on their ability to keep recruiting the best and brightest from around the world can find the talent they need to maintain their edge in the global marketplace. From astrophysicists to procurement clerks, the Chicago area provides employers with one of the largest and most diverse talent pools in the country.

Chicago has recorded over-the-year job growth of at least 51,000 for 20 consecutive months. Chicago's professional and business services and education and health services sectors have recorded over-the-year employment gains of more than 10,000 each month since 2010.<sup>1</sup>

The following table provides a list of major employers in Chicago.

**Major Employers - Chicago Area\***

Company	2011 Revenue (\$ Millions)	Employees (Worldwide)	Employees (Chicago)	Product/Service
United Continental Holdings Inc.	37,110	87,000	13,000	Airline
Abbott Laboratories	38,851	91,000	12,284	Pharmaceuticals
Rush University Medical Center	1,440	8,000	8,000	General medical and surgical hospitals
Northwestern Memorial Hospital	1,400	5,800	5,300	General medical and surgical hospitals
Allstate Corp.	32,654	37,600	5,000	Property, casualty and life insurance
CDW LLC	9,602	6,700	3,900	Computer hardware, software and accessories
Tribune Co.	3,020	12,000	3,100	Owner of newspapers, television stations, websites and other media
MYR Group	780	3,000	3,000	Electrical contractors
Motorola Mobility Holdings Inc.	13,064	20,500	3,000	Communications
Aon Corp.	11,287	62,000	2,400	Insurance agencies and brokerages
Follett Corp.	2,695	6,131	2,306	Retail and wholesale distribution of education materials to K-12 and higher-education markets
Medline Industries Inc.	4,700	8,619	2,297	Manufacturer and distributor of medical supplies
Nicor Inc.	2,710 (1)	3,800	2,264	Gas transmission
CME Group Inc.	3,281	2,740	2,000	Security and commodity brokers

<sup>1</sup> Source: US Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/ro5/ceschi.htm>)

Resurrection Health Care	1,419 (1)	8,295	2,000	General medical and surgical hospitals
R. R. Donnelley & Sons Co.	10,611	58,000	1,850	Printing
Nisource	6,020	7,957	1,700	Natural gas distribution
OSI Group LLC	5,450	19,400	1,650	Develops and processes food for leading QSR, food-service and retail companies.
OfficeMax Inc.	7,121	29,000	1,639	Office supplies
Walsh Group Ltd.	3,625	6,000	1,500	General contractor, design-builder, construction manager
Baxter International Inc.	13,893	48,500	1,500	Medical products and services
Discover Financial Services Inc.	8,550	11,650	1,500	Credit card issuer
Groupon, Inc.	1,610	11,471	1,500	Sales promotion
McDonald's Corp.	27,006	420,000	1,500	Fast-food restaurants
Kraft Foods Inc.	54,365	126,000	1,300	Snacks, beverages, packaged meals
Sara Lee Corp.	8,681	21,000	1,200	Food, food-service and personal products
W. W. Grainger Inc.	8,078	21,400	1,200	Maintenance equipment and supplies
Walgreen Co.	72,184	247,000	1,200	Drugstores, mail-order pharmaceuticals
Koch Foods Inc.	2,000	12,000	1,100	Supplier of fresh and frozen poultry for food-service and retail operations
Ace Hardware Corp.	3,709	4,015	1,044	Retail hardware cooperative
Navistar International Corp.	13,958	19,000	1,000	Manufacturer of buses, commercial trucks, military vehicles
U.S. Cellular (Telephone & Data Systems, Inc.)	4,343	8,743	1,000	Telecommunications
Integrus Energy Group, Inc.	4,708	4,619	965	Electric utilities
Exelon Corp.	18,924	19,267	900	Gas and other services
United Stationers, Inc.	5,005	5,950	800	Furniture
True Value Co.	1,864	2,379	769	Retail hardware cooperative
Hospira, Inc.	4,057	15,000	700	Pharmaceutical and medication-delivery equipment
McMaster-Carr Supply Co.	1,850	4,000	700	Wholesale supplier of industrial products
Arthur J. Gallagher & Co.	2,135	12,383	700	Insurance brokerage
Advocate Health Care	1,260	30,000	700	General medical and surgical hospitals
Eby-Brown Co. LLC	4,700	2,300	630	Wholesale distributor of convenience products
Frank Consolidated Enterprises Inc.	1,650	635	616	Automotive fleet management
Daniel J. Edelman Inc.	588	4,126	612	Public relations
Ingredion, Inc.	6,544	11,100	600	Wet corn milling
Reyes Holdings LLC	14,300	11,900	600	Food and beverage distributor
Central Grocers Inc.	1,913	2,200	600	Grocery wholesaler with retail locations
Jones Lang LaSalle Incorporated	3,585	45,500	600	Lessors of nonresidential buildings (except mini-warehouses)
Orbitz Worldwide Inc.	767	1,329	600	Transportation services
Heico Cos. LLC	2,300	10,000	570	Buyout/turnaround firm specializing in manufacturing companies

Sears Holdings Corp.	41,567	293,000	500	Department stores
Northern Trust Corporation	4,169	14,100	500	Commercial banks
Hyatt Hotels Corp.	3,698	50,000	500	Hotel management
Pepper Construction Group, LLC	1,178	993	498	Commercial and heavy construction
Forsythe Technology Inc.	1,109	868	459	Information technology
Boeing Co.	68,735	171,700	400	Aerospace, defense
Illinois Tool Works Inc.	17,787	65,000	400	Industrial machinery
Ulta Salon Cosmetics & Fragrance Inc.	1,776	14,000	400	Retail beauty products
General Growth Properties	2,743	1,750	400	Mall operator, real-estate investment trust
DeVry Inc.	2,182	12,599	391	Educational services
Kenny Construction Co.	595	500	375	General contractor, construction management
HAVI Group LP	8,272	8,000	375	Freight and supply-chain management, packaging, promotions, marketing solutions
BankFinancial Corp.	77	368	368	Bank holding company
Zurich American Insurance Company	4,340	25	350	Direct property and casualty insurance carriers
Topco Associates LLC	11,600	447	337	Supplier of products and services to supermarket retailers, wholesalers and food-service companies
F.H. Paschen, S.N. Nielsen & Associates LLC	566	400	310	General contractor, construction management
WMS Industries Inc.	783	1,880	300	Gambling and lottery machines
Hub Group, Inc.	2,751	1,616	250	Global intermodal transportation
Power Construction Company, LLC	663	235	235	Commercial and heavy construction
Great Lakes Dredge & Dock Corporation	627	1,726	225	Commercial and heavy construction
Motorola Solutions Inc.	8,203	23,000	225	Other communications equipment manufacturing
Equity Residential	1,989	3,800	220	Lessors of residential buildings and dwellings
O'Neil Industries Inc	458	403	219	Commercial and heavy construction
CF Industries Holdings, Inc.	6,098	2,500	200	Agricultural chemicals
CNA Financial Corp.	8,947	7,600	200	Direct property and casualty insurance carriers
Zebra Technologies Corporation	984	2,510	198	Computer peripheral equipment
Chicago Cubs	265	480	177	Professional baseball team
Brunswick Corp.	3,748	15,356	150	Leisure products
Dover Corporation	7,950	34,000	150	Manufacturer of industrial machinery
Union Tank Car Company	2,042 (1)	6,140	150	Railroad equipment manufacturing
Old Republic International Corporation	4,646	7,900	150	Property and casualty insurance
Chicago Bears Football Club Inc.	300	140	140	Professional football team
Graycor, Inc.	497	1,428	136	Commercial and heavy construction
Tenneco, Inc.	7,205	24,000	135	Auto parts and equipment
Fortune Brands Inc.	3,329	16,100	130	Housewares, distilled spirits, golf equipment

InnerWorkings Inc.	633	1,034	100	Business services
Kemper Corp.	2,495	6,700	90	Direct property and casualty insurance carriers
Inland Real Estate Group of Cos.	167	111	82	Commercial real estate, investment, property management, leasing, development and financial services
Wintrust Financial Corporation	795	2,933	80	Offices of bank holding companies
Morton's Restaurant Group, Inc.	296	4,154	80	Full-service restaurants
Strategic Hotels & Resorts, Inc.	764	42	50	Hotel real estate investment trust
Telephone Data Systems, Inc.	5,180	12,300	35	Wireless telecommunication services
Anixter International Inc	6,147	8,200	28	Electrical products distribution
Tellabs, Inc.	1,286	3,246	20	Communications equipment
Wirtz Corp.	2,000	3,200	20	Distribution, real estate, insurance, banking; owns Chicago Blackhawks hockey team
Wheaton Franciscan Services, Inc.	1,710	18,000	20	General medical and surgical hospitals
Middleby Corp	856	2,150	18	Food-service equipment
NES Rentals Holdings Inc.	280	74	12	Aerial equipment rental for construction and industrial users
Career Education Corporation	1,885	14,602	7	Educational services
H Group Holdings	3,040	42,000	5	Office of other holding companies

(1) 2010 annual sales

\* Data refers to the Chicago Metropolitan Statistical Area (MSA)

Source: Crain's Chicago Business, Hoover's, MNI, World Business Chicago

The following table provides a list of major employment sectors in Chicago.

Non-Farm Employment	Total Number Employed					% of Total Employed Persons				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012 (Q1)
Natural Resources and Mining	N/A	241	216	N/A	195	N/A	0.0%	0.0%	N/A	0.0%
Construction	29,616	25,251	19,165	18,107	18,845	2.3%	2.1%	1.6%	1.5%	1.5%
Manufacturing	78,680	69,631	64,738	65,431	65,316	6.2%	5.7%	5.5%	5.4%	5.3%
Wholesale Trade	39,120	36,107	33,906	34,553	35,229	3.1%	3.0%	2.9%	2.9%	2.8%
Retail Trade	91,822	87,588	85,958	87,659	89,350	7.2%	7.2%	7.3%	7.3%	7.2%
Transportation & Warehousing	81,846	76,446	74,059	74,308	75,631	6.4%	6.3%	6.3%	6.2%	6.1%
Utilities	5,056	5,040	4,507	4,531	4,665	0.4%	0.4%	0.4%	0.4%	0.4%
Information	36,608	33,731	32,627	33,743	36,316	2.9%	2.8%	2.8%	2.8%	2.9%
Finance, Insurance, and Real Estate	144,248	136,179	131,753	129,590	129,715	11.3%	11.2%	11.1%	10.8%	10.5%
Professional and Business Services*	245,900	226,381	223,117	230,142	239,160	19.3%	18.6%	18.9%	19.2%	19.3%
Educational and Health Services	272,607	280,479	274,660	282,659	294,773	21.4%	23.0%	23.2%	23.5%	23.8%
Leisure and Hospitality	126,656	119,797	118,367	122,313	127,949	10.0%	9.8%	10.0%	10.2%	10.4%
Other Services	53,564	53,772	52,707	53,516	55,461	4.2%	4.4%	4.5%	4.5%	4.5%

Government	64,027	64,057	63,768	62,452	61,928	5.0%	5.3%	5.4%	5.2%	5.0%
Non-Classified	2,024	2,424	2,551	2,089	1,624	0.2%	0.2%	0.2%	0.2%	0.1%
<b>Total</b>	<b>1,271,774</b>	<b>1,217,124</b>	<b>1,182,099</b>	<b>1,201,093</b>	<b>1,236,157</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

*\*Professional, scientific, technical; administrative/support; waste remediation; and management of companies*

*Note: not seasonally adjusted.*

*Source: Illinois Department of Employment Security (IDES), reflects first quarter data for all years*

### Chicago Population/Percentage Distribution

Age Range	Population	Percent/Total City Population (2011)
0-19 years	708,226	26.2%
20-34 years	727,249	26.9%
35-54 years	722,290	26.7%
55+ years	542,976	20.1%

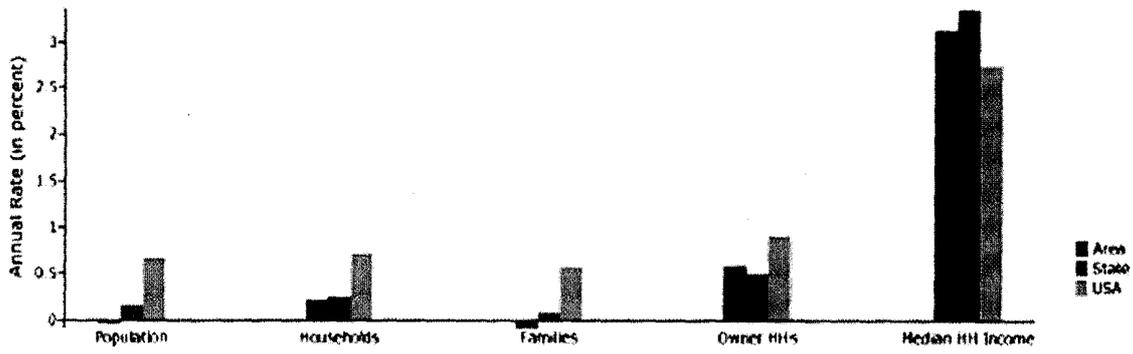
Sources: U.S. Census Bureau, Demographics Now, Johnson Consulting

Demographics for a 5-mile radius of the project location show a large base of minority families with young children who will greatly benefit from the programs and services to be offered at the Focal Point community campus.

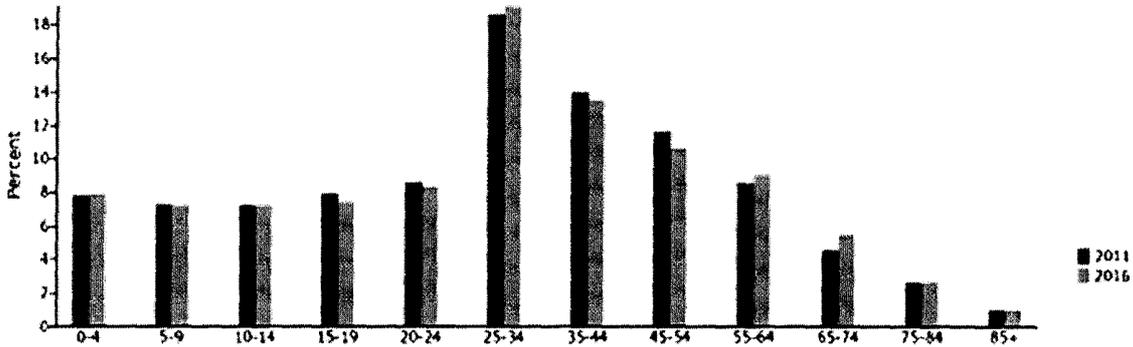
<b>Summary</b>	<b>2010</b>	<b>2011</b>	<b>2016</b>			
Population	982,348	986,350	984,397			
Households	326,562	328,407	331,902			
Families	206,361	207,065	206,222			
Average Household Size	2.92	2.92	2.88			
Owner Occupied Housing Units	137,228	133,684	137,592			
Renter Occupied Housing Units	189,333	194,723	194,309			
Median Age	30.6	30.7	31.1			
<b>Trends: 2011 - 2016 Annual Rate</b>	<b>Area</b>	<b>State</b>	<b>National</b>			
Population	-0.04%	0.16%	0.67%			
Households	0.21%	0.25%	0.71%			
Families	-0.08%	0.06%	0.57%			
Owner MHs	0.58%	0.50%	0.91%			
Median Household Income	3.14%	3.37%	2.75%			
<b>Households by Income</b>	<b>2011</b>		<b>2016</b>			
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>		
<\$15,000	75,762	23.1%	75,477	22.7%		
\$15,000 - \$24,999	43,766	13.3%	35,376	10.7%		
\$25,000 - \$34,999	40,047	12.2%	33,014	9.9%		
\$35,000 - \$49,999	46,241	14.1%	40,123	12.1%		
\$50,000 - \$74,999	52,896	16.1%	53,594	16.1%		
\$75,000 - \$99,999	29,246	8.9%	41,145	12.4%		
\$100,000 - \$149,999	24,612	7.5%	32,781	9.9%		
\$150,000 - \$199,999	8,580	2.6%	11,597	3.5%		
\$200,000+	7,255	2.2%	8,794	2.7%		
Median Household Income	\$36,101		\$42,140			
Average Household Income	\$52,331		\$61,023			
Per Capita Income	\$18,370		\$21,555			
<b>Population by Age</b>	<b>2010</b>		<b>2011</b>		<b>2016</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
0 - 4	78,319	8.0%	77,521	7.9%	78,091	7.9%
5 - 9	72,232	7.4%	72,205	7.3%	71,291	7.2%
10 - 14	71,504	7.3%	71,596	7.3%	71,404	7.3%
15 - 19	78,669	8.0%	78,456	8.0%	73,165	7.4%
20 - 24	84,525	8.6%	85,235	8.6%	82,319	8.4%
25 - 34	181,950	18.5%	183,874	18.6%	188,514	19.2%
35 - 44	137,999	14.0%	137,939	14.0%	133,244	13.5%
45 - 54	114,938	11.7%	114,573	11.6%	104,812	10.6%
55 - 64	82,699	8.4%	84,079	8.5%	89,680	9.1%
65 - 74	44,027	4.5%	45,305	4.6%	54,963	5.6%
75 - 84	25,686	2.6%	25,735	2.6%	26,285	2.7%
85+	9,800	1.0%	9,832	1.0%	10,629	1.1%
<b>Race and Ethnicity</b>	<b>2010</b>		<b>2011</b>		<b>2016</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White Alone	384,757	39.2%	386,373	39.2%	388,774	39.5%
Black Alone	297,958	30.3%	297,940	30.2%	289,066	29.4%
American Indian Alone	6,154	0.6%	6,190	0.6%	6,884	0.7%
Asian Alone	49,345	5.0%	49,306	5.0%	50,772	5.2%
Pacific Islander Alone	354	0.0%	353	0.0%	322	0.0%
Some Other Race Alone	217,551	22.1%	219,825	22.3%	222,208	22.6%
Two or More Races	26,228	2.7%	26,364	2.7%	26,371	2.7%
Hispanic Origin (Any Race)	454,793	46.3%	459,055	46.5%	475,031	48.3%

**Data Note:** Income is expressed in current dollars.  
**Source:** U.S. Census Bureau, Census 2010 Data - Esri forecasts for 2011 and 2016

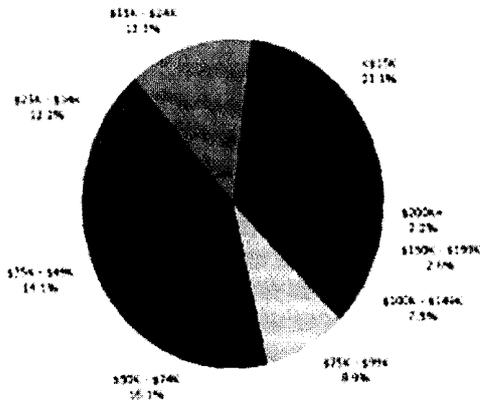
Trends 2011-2016



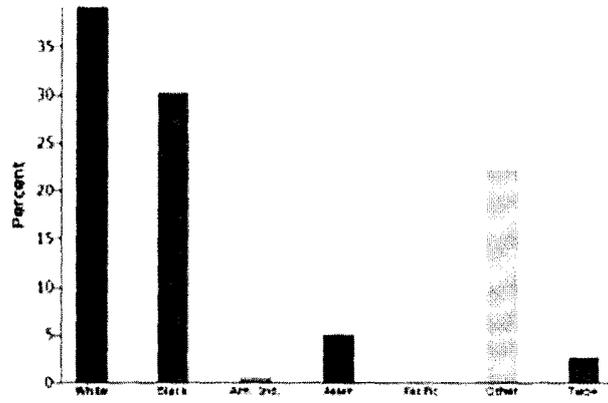
Population by Age



2011 Household Income



2011 Population by Race



2011 Percent Hispanic Origin: 46.5%

Section 2.5 Community Support

CSDC has strong support from elected officials, community leaders and neighborhood organizations on the city’s West and near Southwest Sides. The vested interest by these partners and supporters strengthen the innovative community campus idea. CSDC’s community network includes, but is not limited to the:

- Active Transportation Alliance
- Aldermen George Cardenas, Michael Chandler, Ricardo Munoz and Danny Solis
- Archdiocese of Chicago

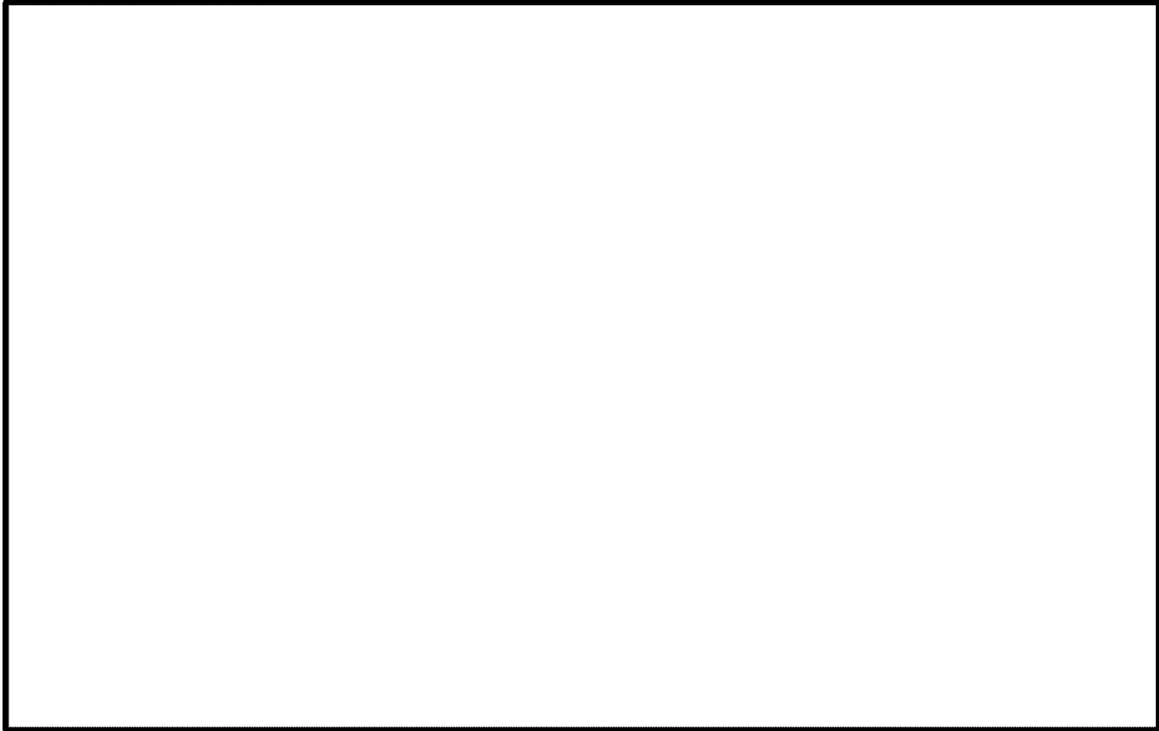
- Black Caucus
- Chicago Community Trust
- Chicago Department of Family and Support Services
- Chicago Department of Health
- Chicago Department of Housing and Economic Development
- Chicago Park District
- Chicago Public Schools
- Coalition to Lower Obesity in Chicago's Children (CLOCC)
- Cristo Rey
- Enlace
- Greater Galilee M.B. Church
- Greater Open Door Baptist Church
- Family Focus
- Haymarket Center
- Holy Cross/IHM Church
- Homan Square Community Center
- Illinois Coalition of Immigrant & Refugee Rights
- Instituto del Progreso Latino
- Irving Harris Foundation
- Latino Caucus
- Lawndale Christian Development Corporation
- Lawndale Community Church
- Michael Reese Health Trust
- March of Dimes
- Marillac Social Center
- Marshall Square
- Resources Network
- National Latino Education Institute
- Project Launch
- Resurrection Project
- Ross University
- Rauner Family YMCA
- SER
- Simpson Academy High School for Young Women
- Steans Family Foundation
- St. Agatha Church
- St. Agnes Church
- St. Pius Church
- Tepochcali Community Education
- Wright College

### *Section 2.6 Source and Use of Funds*

The following table sets forth information concerning the estimated use of proceeds of the sale of the Units:

(b)(4)

**SOURCES OF CAPITAL**



*Section 2.7 Financial Projections*

Please see Appendix A for detailed schedules of all Financial Projections.

*Section 2.8 Job Creation Information*

A job creation model was created based on local information gathered on the CSDC's primary industry focus in Cook County through IMPLAN using 2011 data for Cook County to conduct the analysis.

**Overview of the IMPLAN Model**

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, Cook County, Illinois). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, one year).

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the "flow of dollars from purchasers to producers within the region." It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of “local-level multipliers” that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that describe the response of the economy to a stimulus (a change in demand or production).

Given the need to create a minimum threshold of 10 jobs per investor and the target of 170 alien investors, the total job creation must equal or exceed 1700 jobs. The models below establish that the 3,816 jobs will be created during construction (combining direct, indirect, and induced) will more than exceed the minimum requirement.

**Job Creation – Focal Point Construction**

During the construction of the Focal Point community campus, a significant number of construction jobs will be created. Detailed work has already been completed to determine the cost of construction.

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding spend from CSDC’s financial projections used to create the model for the Focal Point community campus construction.

2012 NAICS		IMPLAN	Industry Sales
Code	Category	Sector	
23622	Commercial and Institutional Building Construction	34	(b)(4)

Using IMPLAN Version 3.0 with 2011 data for Cook County and the inputs above, the following model was created which outlines the impact of the construction of the Focal Point community campus:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	(b)(4)			
Indirect Effect				
Induced Effect				
Total Effect				

Top Ten Industries Affected

Sector	Description	Employment	Labor Income	Value Added	Output
34	Construction of new nonresidential commercial and health care structures				
413	Food services and drinking places				
369	Architectural, engineering, and related services				
360	Real estate establishments				
397	Private hospitals				
394	Offices of physicians, dentists, and other health practitioners				
382	Employment services				
324	Retail Stores - Food and beverage				
356	Securities, commodity contracts, investments, and related activities				
398	Nursing and residential care facilities				

Multiplier Tables

(b)(4)

Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
34	Construction of new nonresidential commercial and health care structures						

**Job Creation – Focal Point Operations**

For the purposes of alien investors, jobs created post-construction will be considered through business plans for the eventual operating entity. Projections for these businesses to be created by tenant occupants show significant job creation as well.

**Hospital and Medical Offices**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from CSDC’s financial projections used to create the model for the operations of the hospital and medical offices portion of the Focal Point community campus. Because the hospital will be transferring from a nearby location, only new, incremental job positions are indicated.

2012 NAICS		IMPLAN	(b)(4)
Code	Category	Sector	Direct Jobs
621	Ambulatory Health Care Services	394	
622	Hospitals	397	

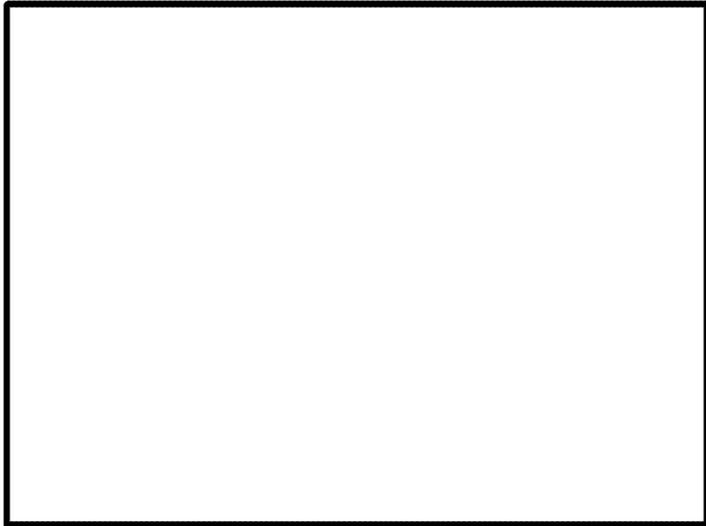
Using IMPLAN Version 3.0 with 2011 data for Cook County and the inputs above, the following model was created which outlines the impact of the hospital and medical offices operations of the Focal Point community campus:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect				
Indirect Effect				
Induced Effect				
Total Effect				

Top Ten Industries Affected (b)(4)

Sector	Description	Employment	Labor Income	Value Added	Output
397	Private hospitals				
394	Offices of physicians, dentists, and other health practitioners				
360	Real estate establishments				
382	Employment services				
413	Food services and drinking places				

- 388 Services to buildings and dwellings
- Securities, commodity
- 356 contracts, investments, and related activities
- 324 Retail Stores - Food and beverage
- 398 Nursing and residential care facilities
- Medical and diagnostic labs
- 396 and outpatient and other ambulatory care services



**Multiplier Tables**

(b)(4)

Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
394	Offices of physicians, dentists, and other health practitioners						
397	Private hospitals						

**Non-Medical Operations**

The following table illustrates the crosswalk from the 2013 NAICS codes to the relative IMPLAN sector as well as the corresponding figures from CSDC's financial projections used to create the model for each of CSDC's non-medical industry focuses.

(b)(4)

2012 NAICS Code	Category	IMPLAN Sector	Direct Jobs
624	Social Assistance	400	
8132	Grantmaking and Giving Services	424	
8133	Social Advocacy Organizations		
611	Educational Services	391	
611	Educational Services	392	
611	Educational Services	393	
452	General Merchandise Stores	329	
722	Food Services and Drinking Places	413	
6244	Child Day Care Services	399	
71394	Fitness and Recreational Sports Centers	407	
53	Real Estate and Rental and Leasing	360	

Using IMPLAN Version 3.0 with 2011 data for Cook County and the inputs above, the following model was created which outlines the impact of the non-medical operations of the Focal Point community campus:

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect (b)(4)				
Indirect Effect				
Induced Effect				
Total Effect				

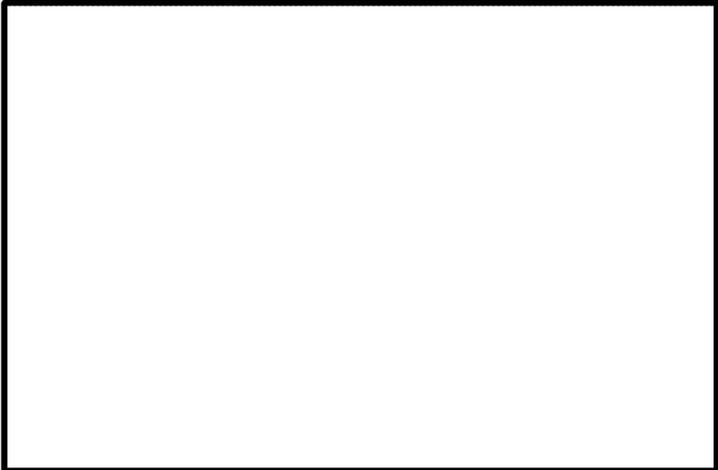
Top Ten Industries Affected

Sector	Description	Employment	Labor Income	Value Added	Output
329	Retail Stores - General merchandise				
391	Private elementary and secondary schools				
392	Private junior colleges, colleges, universities, and professional schools				
360	Real estate establishments				
413	Food services and drinking places				
424	Grantmaking, giving, and social advocacy organizations				
400	Individual and family services				
407	Fitness and recreational sports centers				
393	Other private educational services				
399	Child day care services				

Multiplier Tables

		(b)(4)					
Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total Effects	Type I Multiplier	Type SAM Multiplier
329	Retail Stores - General merchandise						
360	Real estate establishments						
391	Private elementary and secondary schools						

- 392 Private junior colleges, colleges, universities, and professional schools
- 393 Other private educational services
- 399 Child day care services (b)(4)
- 400 Individual and family services
- 407 Fitness and recreational sports centers
- 413 Food services and drinking places
- 424 Grantmaking, giving, and social advocacy organizations



*Section 2.09 Project Timeline*

Much of the administrative phase of the Project is complete. The land has been acquired and initial tenants have been identified and are working with CSDC on their space layouts and planning. Development plans are in the process of receiving final approval by the City of Chicago.

(b)(4)

The timeline is as follows:



**Section 3 • Investment Structure**

*Section 3.1 LLC Structure and Investor Safety*

Each foreign investor will invest in a Limited Liability Company to be named Focal Investment Fund, LLC. (the "LLC") which will be organized with the Secretary of State of Illinois pursuant to the Illinois Limited Liability Company Act. The managing member will be the HCE INTL, LLC (the "Managing Member"), and [redacted] Membership Units will be offered at [redacted] per unit for a total of [redacted] in equity funding. Each unit will then have a [redacted] ownership in the LLC (the "LLC Member(s)").

(b)(4)

Membership Units will be purchased through a Subscription Agreement, and at the time the

(b)(4)

Subscription Agreement is signed and funds are received, the funds will be placed into an escrow account until a minimum of \$ [redacted] has been raised. The escrow account will not pay investors interest on the funds deposited.

The initial project site is located within a TEA, therefore each of the alien investors would be purchasing [redacted] Membership Units for a total investment of \$500,000 each. Each alien investor would then own [redacted] of the LLC.

The LLC will make the full amount of the alien investor's capital available to the CSDC project to create jobs.

### *Section 3.2 Qualification Points – EB-5 Investment Designation*

The business plan will discuss in detail all aspects of the proposed company and coverage of the basic and detailed requirements for designation as a qualified EB-5 investment including:

1. The creation of a minimum of 10 jobs per investor
2. The creation of a new enterprise
3. A reasonable level of risk to the investors
4. Participation of investors in policy-making decisions for the enterprise
5. Providing an exit strategy for investors
6. Details of distributions for investors
7. Administrative compliance in terms of full reporting of CSDC's activities and results

### *Section 3.3 Investment Program Summary*

Investment capital for the project (up to \$85 million) will be raised through the EB-5 investment Program, offered exclusively to international investors seeking to gain the benefits of the program, which include the following:

- Living and working in the U.S.
- No employment authorization requirement to accept employment
- Ability to develop and run a business
- Ability to sponsor green cards for family
- Ability to travel outside of the U.S. and return without a visa
- Education benefits of permanent residents, such as admission to state universities at resident costs
- Ability to become a U.S. citizen once the investor has been a permanent resident for more than 5 years

The U.S. Immigrant Investor program is a very flexible process. The U.S. has no requirements regarding age, business training, language skills and experience. Permanent residents need not

be continuously and physically present in the U.S., and they can maintain business and professional relations in their country of origin.

The U.S. Immigrant Investor Program also allows investors a great deal of freedom because it does not require these investors to manage their investment on a daily basis, but rather, to “actively engage” in a business enterprise. This means that the investor can be a member of the LLC, while they are able to pursue other professional or personal ventures at the same time.

Moreover, should an investor and his or her family elect to become U.S. citizens, the time spent as conditional permanent residents is credited towards the five year lawful permanent residency requirement for U.S. citizenship. As a permanent resident, an investor and his or her family are free to return to their homeland for visits or business purposes, as long as a residence is maintained in the United States. (b)(4)

A total of up to [ ] investors, with an investment of [ ] each plus costs and expenses will be solicited. In exchange, each investor will be offered the opportunity to receive Conditional Status, which can be converted to residency after a period of 18 months.

(b)(4) *Section 3.4 Active vs. Passive Investment*



*Section 3.5 Company Privacy Policy*

In order to protect the privacy of its investors, Focal Investment Fund, LLC will establish a policy not to disclose the names of its investors without the investor’s prior agreement unless required to do so by law. However, each investor has the legal right of access to names, contact information, and percentage of ownership of the other investor members of Focal Investment Fund, LLC.

(b)(4)

*Section 3.6 Exit Strategy Options*



*Section 3.7 Application Process*

To become an immigrant investor in the Investor LLC, a potential investor will take the following steps:

- | <b>STEP</b> | <b>IMMIGRATION PROCESS</b>   |
|-------------|--|
| 1           | Investor researches website, is referred by an agent or receives marketing materials. Investor registers via website, email, fax or in writing.  |
| 2           | Investor receives description of project, wire transfer instructions, Subscription Agreement, Capital Escrow Agreement, Escrow Agreement for Service Fees and Subscriber Suitability Questionnaire.  |
| 3           | Investor signs and returns Escrow Agreement for Service Fees and wires \$40,000 Service Fee to the Investor LLC Escrow Account.  |
| 4           | Investor completes, signs and returns Subscriber Suitability Questionnaire, Subscription Agreement and Capital Escrow Agreement. Investor receives Offering Memorandum and Operating Agreement for review. Investor signs and returns Operating Agreement. |
| 5           | Upon acceptance, Investor remits capital investment (minimum of \$500,000 USD) to the Investor LLC Escrow Account. The Escrow Agent will release the funds pursuant to the terms of the Escrow Agreement.  |
| 6           | Investor submits all documents required for filing I-526 with USCIS to their Legal Representative.   |
| 7           | Investor's Legal Representative prepares I-526 filing for USCIS.   |
| 8           | I-526 Petition and Notification.   |
| 9           | Investor elects adjustment of status or consular processing.   |
| 10          | Upon approval of the Petition, (a) if the investor is in the United States, he/she may apply for Adjustment of Status to Conditional Resident status; (b) if abroad, the investor must wait for notification from the National Visa                        |

Center to prepare documents for the Immigrant Visa interview at the U.S. Consulate or Embassy in his/her home country. The purpose of the Adjustment of Status or Immigrant Visa interview is to ensure that the investor is not subject to grounds of exclusion, such as a criminal past, infectious diseases, or other grounds for exclusion by law.

- 11 Once issued conditional permanent resident status (I-526 approval) the clock starts ticking! Job creation (10 full-time positions per investor) must take place during the two year period following approval of the I-526. The investor may then file an I-829 to request that conditional status be removed.
- 12 Once conditional status is removed, a full Green Card is granted for indefinite permanent resident status and work permission in the United States. U.S. Citizenship is possible 5 years after conditional residency is approved, upon satisfaction of residence and other criteria.

The application process detailed above is for general information and guidance only. Actual procedures will vary according to individual circumstances.

### *Section 3.8 Investor Tax Considerations*

The United States charges income tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some, but not all, of the risk of double taxation. Each U.S. state has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. As a general rule, if the investor is moving all of his/her assets to the U.S., there is no problem with double taxation. However, if the investor plans to continue working or investing in her or her home country after moving to the U.S., he or she is advised to consult a tax advisor.

## **Section 4 • Administration and Documentation**

### *Section 4.1 Investor Qualifications and Credits*

The following documents are required to pre-qualify potential investors

- Valid Passport
- Non-US Citizen
- Net Worth Greater Than \$1 Million (USD)
- No Criminal Record
- Availability of Funds Within 60 Days
- Identifiable and Legal Source of Funds
- Income Greater Than \$200,000 in Last 2 years (\$300,000 for a couple)

#### *Section 4.2 Investor Information Requirements*

- Master Documents
- Passport
- Criminal Records
- Foreign Banking Source
- Bank Wire Instructions (2 accounts)
- Financial Commitment and Signature
- Legal Fees
- Government Fees
- Sources of Funds
- Tax Returns: Five Years
- Photographs (8)
- Medical Exams
- Financial Statement
- Birth Certificates
- Marriage Certificates
- Divorce Decrees
- Military Records
- Police Clearances
- U.S. Immigration History
- New Worth Statement

#### *Section 4.3 Sources of Funds*

Sources of investor funds will be verified, with a comprehensive review of all documentation. The Company requires that each investor, or their legal counsel, provide documentation detailing verifiable sources of funds for the EB-5 investment.

Types of investment sources that are to be thoroughly detailed by the investor include, but are not limited to:

- Bank Accounts (including Financial Institution Name, Account Number, and Balance)
- Earnings from Business Operations. For this category, the investor must provide comprehensive details, including:
  - Legal name, address and phone number of the business
  - Type of organization
  - Products/services provided
  - Date established
  - Number of employees
  - Date and amount of initial investment

- Total investment to date
  - Description of the Investor's duties in that business
  - Brief history of the business
  - Ending annual salary of the investor
  - Approximate annual cost of fringe benefits
  - Full ownership details of any other owners of the business and whether or not they are also seeking an EB-5 visa
  - Earnings distribution to the investor that will be used to fund the EB-5 investment
- Net Proceeds from the Sale of a Business. Again the information and documentation required is substantial, including:
    - Gross proceeds, as verified by the sales contract
    - Expenses associated with the sale
    - Net sale proceeds, including any deferred payments and a schedule of such payments
    - Investor's net proceeds from the sale
    - Total cash collected by the Investor from the sale including information on funds already expended or deposited elsewhere
    - Net amount to be used for EB-5 investment

In support of this information, the investor will be required to submit:

- Incorporation or other organizational documents of the business
  - Stock certificates (or other evidence of ownership)
  - Closing statement for the sale of the business
  - Copy of the check or wire transfer advice and bank statement posting evidencing receipt of sale proceeds
- Net Proceeds from the Sale of Real Estate. For this source, the investor must supply:
    - Street address and full description of property
    - Date acquired and initial investment plus any additional investments
    - Percentage of ownership prior to sale – if less than 100%, a list of names, addresses and ownership percentages of other owners
    - Date property sold, net sales price, and net price after selling expenses
    - Name and address of purchaser, as well as type of entity
    - Amount used to pay mortgages/debt payments and other owners
    - Net amounts being used to fund EB-5 investment
  - Net Proceeds from the Sale of Investments or Other Assets. Again the information required includes extensive detail, allowing verification of the original source of the investment or asset and exacting details required to substantiate all information provided.
  - Employment earnings. The investor is required to provide complete information as to employer name, address, period employed, gross earnings, income taxes, and net

earnings for the past five years.

- Income or other Tax Refunds. Deposit of tax refunds into bank accounts must be verified by comparing the tax return to the refund amount deposited.
- Loans. The investor is required to submit information as to the date and amount of the loan, the lender's information, due date, interest rate, collateral description and value, expected source of funds to repay the loan, and the current balance. For this category, the investor must provide additional documentation, including:
  - Copy of bank statement showing the deposit of the loan proceeds
  - Copy of promissory note and security agreement(s), as applicable
  - Copy of loan closing statement, if applicable
- Gifts. For gifts, in addition to providing the giver's information and type of entity, the investor must also provide the giver's source of the funds, again to establish the legitimacy of the gift's original source. For gifts, the investor must provide:
  - Copy of bank statement showing the deposit of the proceeds from the gift
  - Copy of any relevant correspondence regarding the gift
- Inheritance. For proceeds from inheritances, the investor must provide full information on the decedent, and indicate any contingencies associated with the inheritance, netting down to the amount to be used to fund the EB-5 investment. Again, the primary source of the decedent's funds must be identified, in order to establish the legitimacy of the original source of funds. The investor must provide:
  - Copy of bank statement showing the deposit of inherited funds
  - Copy of legal or other relevant correspondence regarding the inheritance
- Retirement Funds. If using retirement funds for the EB-5 investment, the investor is required to provide full information about the company/entity paying the retirement, including date hired, date terminated, and date retirement benefits began, including details of lump sum and periodic payments, and net amount used to fund the EB-5 investment. Documentation required includes:
  - Copy of statement of account showing the balance in the retirement account, if applicable
  - Copy of other relevant correspondence regarding the retirement account
- Support from a Parent/Relative/Guardian or Other Person. In addition to full information regarding the person providing the support, the dates/frequency and amounts of support payments, and term of the support agreement, the investor must provide information regarding any repayment obligation related to these support payments. For this category, the investor must provide copies of legal or any other relevant correspondence regarding the support payments.

All information provided to USCIS in each of these categories must be provided, at the Investor's expense, to the Company in both the original form of the document and with a certified translated copy in English. While it is the responsibility of the Investor and their legal counsel to obtain qualification of their Source of Funds from the USCIS, the Company has the right to conduct an internal review to ensure that the investor is in fact qualified for the EB-5 program.

*Section 4.4 Summary, Investor Remittance Requirements*

Investors will be responsible for making the following deposits in order to secure the investment opportunity:

Details/Schedule	Amount
Project Administrative Fee (in accordance with the terms as set forth in the Subscription Agreement)	
Wire Transfer to the LLC Escrow Account (to be released in accordance with the terms set forth in the Escrow Agreement)	\$500,000

(b)(4)

**Section 5 • Legal and Risk Planning**

*Section 5.1 LLC Creation*

Focal Investment Fund, LLC will be formed as a Limited Liability Company in the State of Illinois. A limited liability company (LLC) is a relatively new form of business organization that offers the best features of a corporation and a partnership. It provides the owners protection from personal liability for business debts in the same way a corporation does, and the IRS treats an LLC as a partnership for tax purposes. Income is taxed only once, as in a partnership, and an LLC has great flexibility in how it passes income and deductions to its members. Limited liability companies are formed under 805 ILCS 180.

*Section 5.2 Due Diligence*

Under USCIS regulations the investor must demonstrate that their assets were gained in a lawful manner. The investor must prove their investment funds were obtained through lawful business, salary, investments, property sales, inheritance, gift, loan, or other lawful means.

Focal Investment Fund, LLC requires an investor to reveal where and how they received their assets that are used for qualifying for the EB-5 program. This may be accomplished through certificates by the investor's licensed accountants, lawyers, court records, salary statements, tax statements, real estate documents and the like.

In order to comply with the due diligence requirements of 805 ILCS 180, the LLC will require proper documentation from the investor. The investor is required, at the investor's expense, to

furnish the documentation to the LLC in both the original form of the document and with a certified translated copy in English. Upon receipt, the LLC will perform a 4-step review process.

**Financial Documents to Establish Source of Funds:** The investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law. If the investment funds are from a gift, then the financial information regarding the person giving the gift must be provided. Evidence may include but need not be limited to bank statements, stock certificates, and any loan or mortgage documents, promissory notes, security agreements or other evidence of borrowing which is secured by assets of the applicant.

**Transfer of Funds:** The investor must provide evidence that the capital investment has been placed in an escrow account prior to filing the application. The escrow account is established in a protected account with Chase bank in the U.S.

**Financial Statements:** Financial information that evidences a net worth of at least \$1,000,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement or other lawful sources.

Personal documents are also required to further verify the investor's identity and eligibility for this program. Required documents include:

**Passports:** Copies of passport for the investor and each qualifying household member of the investor's family must be provided. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include husband, wife, and all unmarried children under the age of 21.

**Employment and Business Documents:** Information regarding the investor's education, employment history, and business experience are required, including, but not limited to, resumes, diplomas, and business registrations.

**Family Certificates:** Copies of birth, marriage certificates, and divorce certificates (if applicable) must be provided for all individuals applying for a green card under the investor's application, including spouse and children under the age of 21 at the time of application. For birth certificates, one certified copy of the birth certificate for each person named in the application should be submitted. Birth records must be presented for all unmarried children under the age of 21 even if they do wish to immigrate at the time. For marriage certificates, one certified copy of the marriage certificate or proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

**Police Certificates:** Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence

or where the applicant has resided for at least 6 months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

**Court/Prison Records:** Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

**Military Records:** A certified copy of any military record should be submitted.

**Photographs:** Two color photographs with white background on glossy paper, un-retouched and un-mounted, must accompany each application. The photo must be a 3/4 front portrait with the right side of the face and right ear visible. The dimensions of the facial image must measure 1 inch (2.5 cm) from chin to top of hair. No head covering or dark glasses may be worn.

#### *Section 5.3 Document Review and Verification Policy*

Financial source of funds document will be fully reviewed at several separate levels:

- The Escrow/Funds Transfer Agent
- The LLC's Bank
- The LLC's CPA firm
- The Investors U.S. Immigration Counsel
- The LLC's Members

The initial review process will focus on the type of payment and the information provided by the potential investor. In all cases, the information provided will be filtered no less than four times. Each level in the process will focus on a review of the source of funds and to ensure that all sources of funding are qualified. In the event that information provided by the investor is incomplete or suspicious in any way, the investor will first be provided with an opportunity to provide additional documentation to meet the review process criteria. Should there be questions remaining after full disclosure by the potential investor, the potential investor's subscription will be rejected and investment funds returned to the investor in accordance with the Escrow Agreement.

#### *Section 5.4 Project Risks*

##### **Risk Factors**

The LLC and the CSDC are subject to all the risks normally associated with a new enterprise. The investment is suitable only for those persons who have a continuing high amount of annual income and substantial net worth, who can afford to bear such risks and who have no need for liquidity from such investment. Each prospective investor should consider carefully the risk

factors attendant to the purchase of Units, including, but not limited to, those discussed below, and should consult with his own legal, tax and financial advisors with respect thereto. The acquisition and ownership of the Units involve a high degree of risk. Prospective purchasers of the Units should be aware of the risk factors related to the offering and should consider, among others, those factors set forth below:

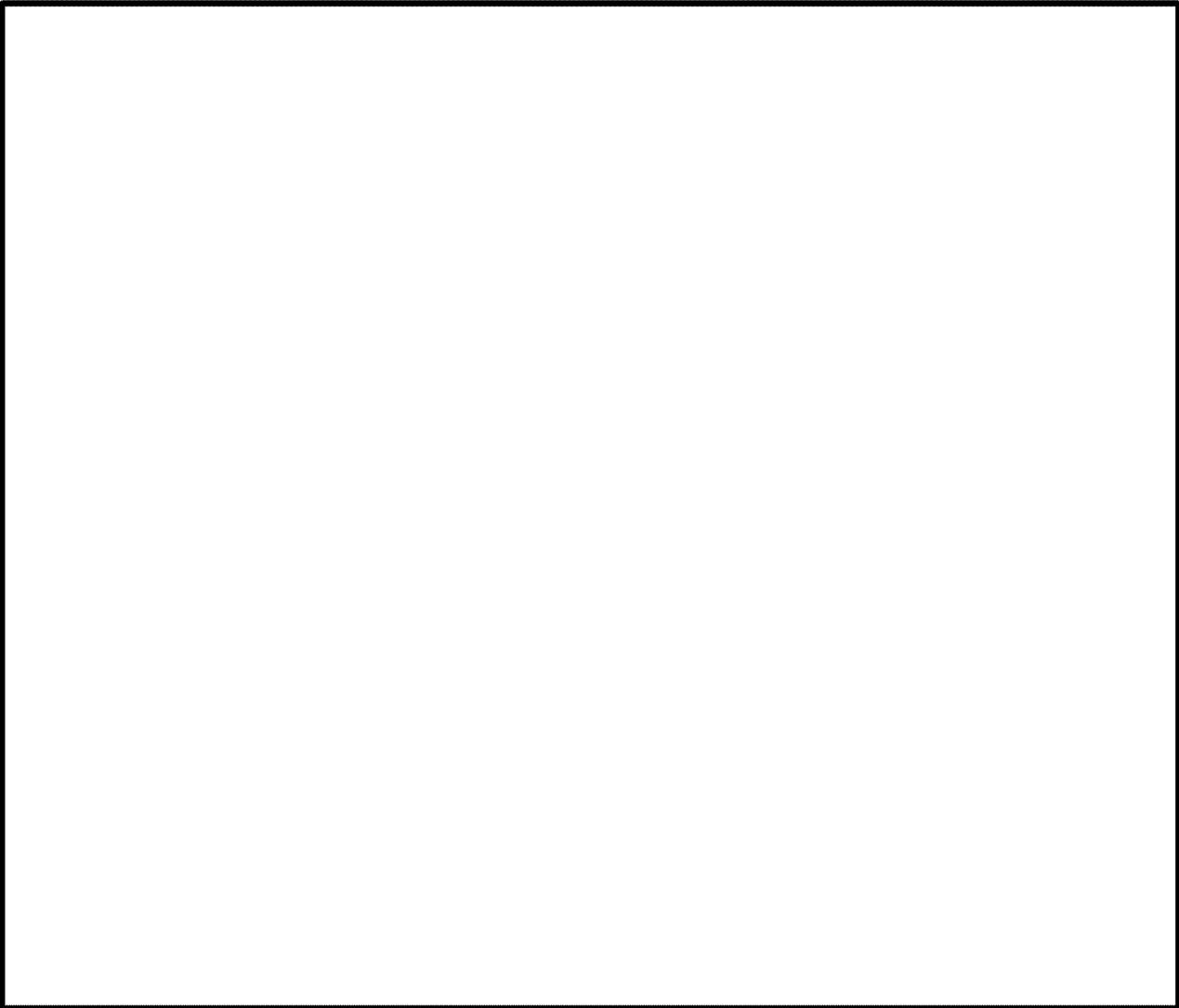
**Business Risks**

(b)(4)





(b)(4) **Company and Offering Risks**



Immigration Risks

The process of obtaining permanent resident status involves several factors and circumstances which are not within the control of the Company. These include the investor's past history and quotas established by the USCIS limiting the number of visas granted to investors in a single year. Although the Company has been structured so that each Member may qualify for permanent residency under the employment creation immigrant investor provisions of the U.S.

immigration laws, no assurance can be given that each investor will obtain approval of his particular immigrant petition.

Each prospective investor should consult competent immigration counsel to review the likelihood that the investor's Immigrant Petition will be granted.

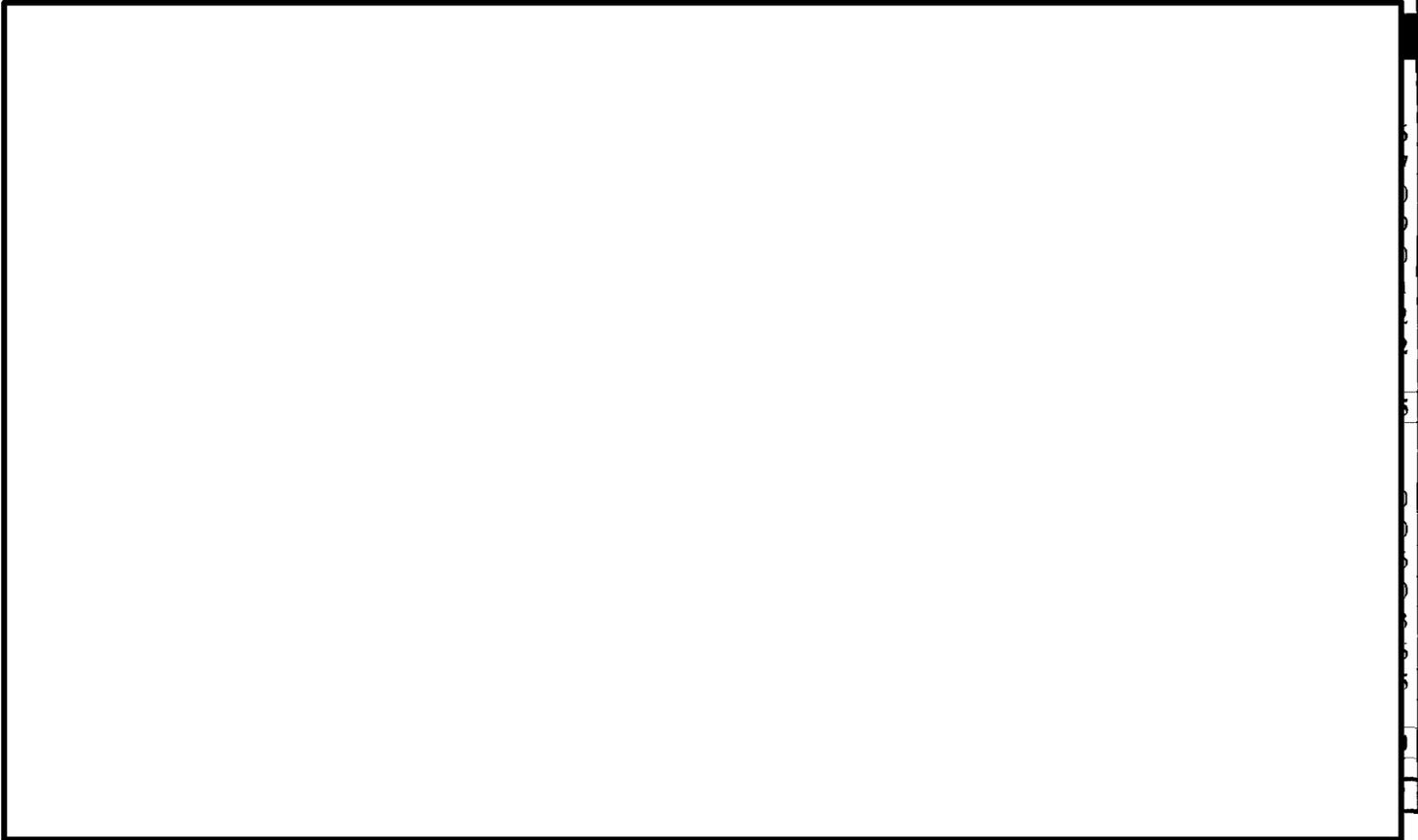


## **Appendices**

### *Appendix A – Financial Projections*

Chicago Southwest Development  
Corporation

1,287,800 Square Feet



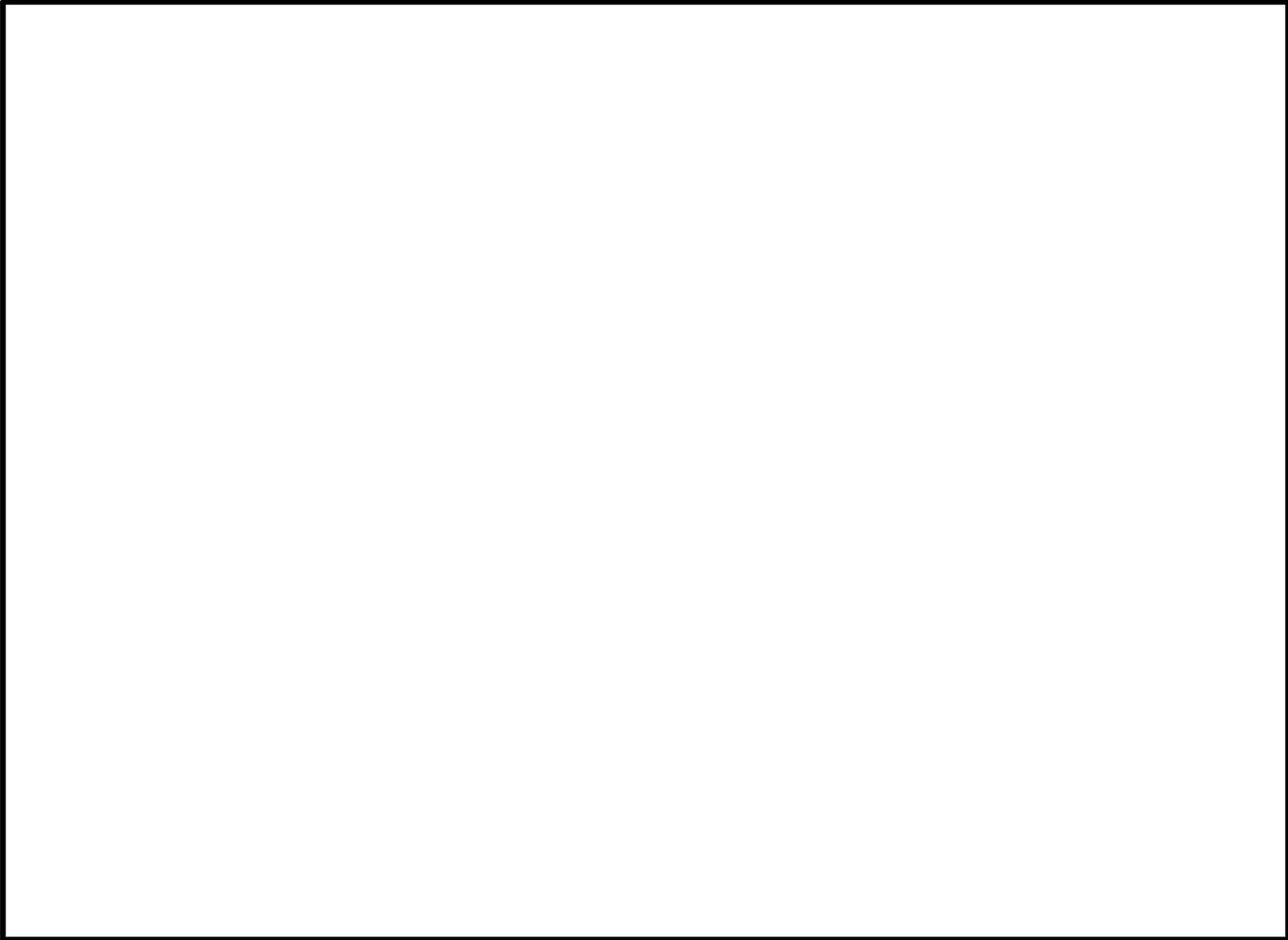
CHICAGO SOUTHWEST DEVELOPMENT CORPORATION



**CHICAGO SOUTHWEST DEVELOPMENT**  
**CORPORATION**

(b)(4)

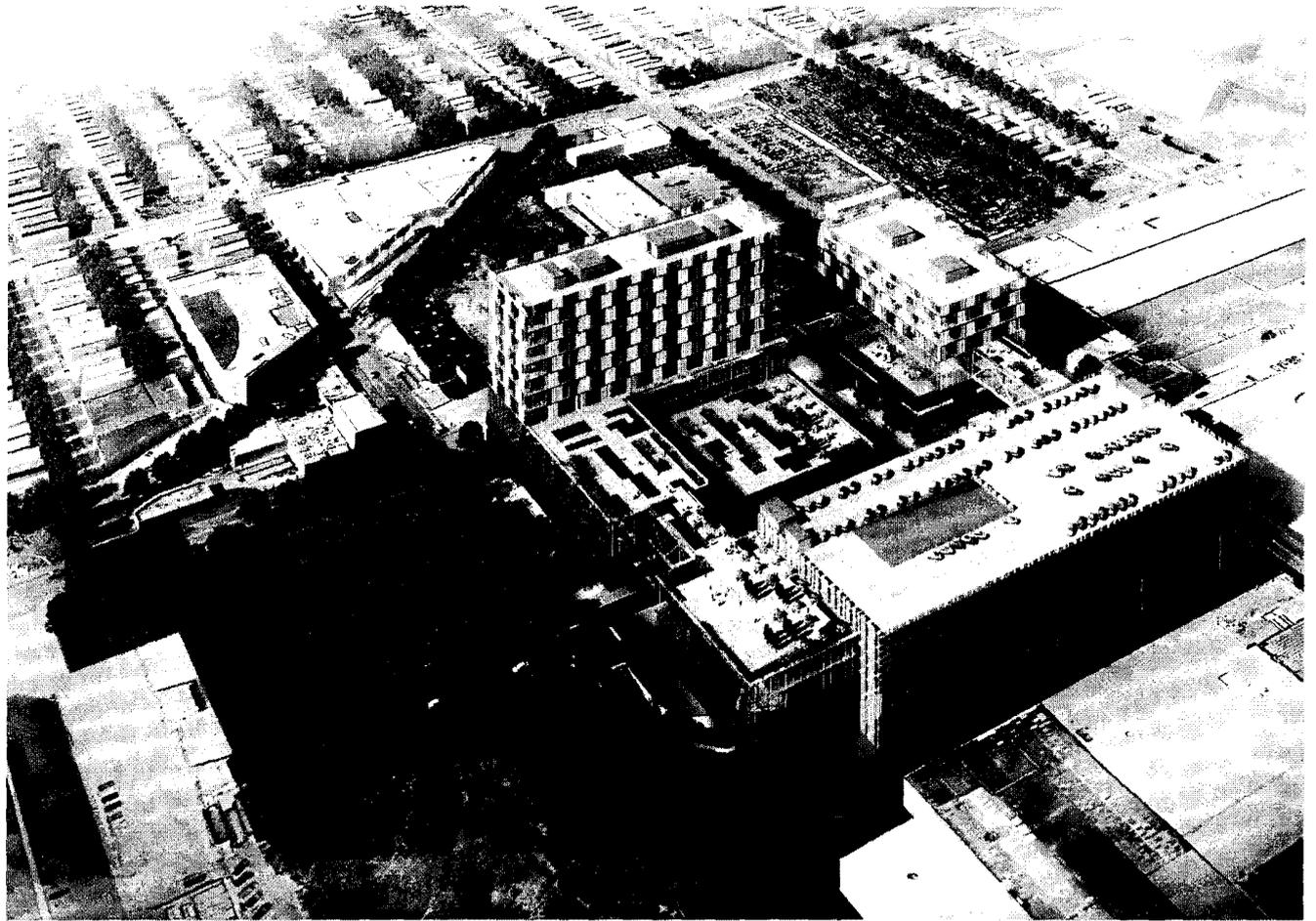
**Sources & Uses**



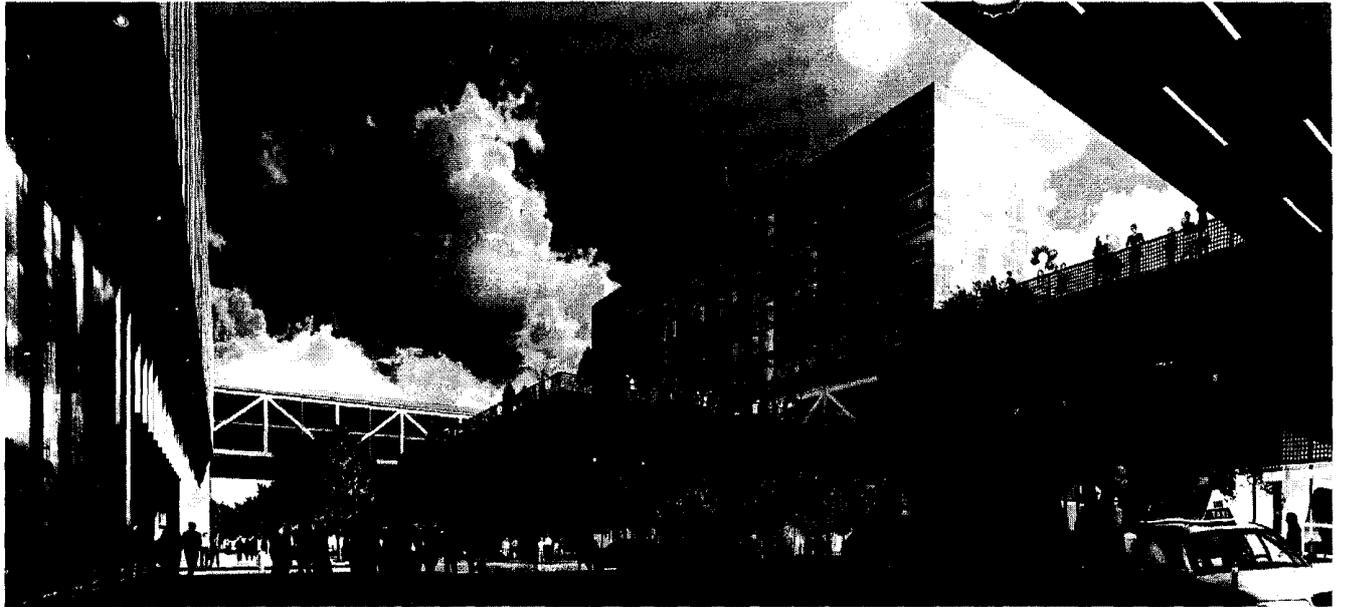


*Appendix B – Architectural Renderings of Focal Point Campus*

**Aerial View of the Focal Point Campus**

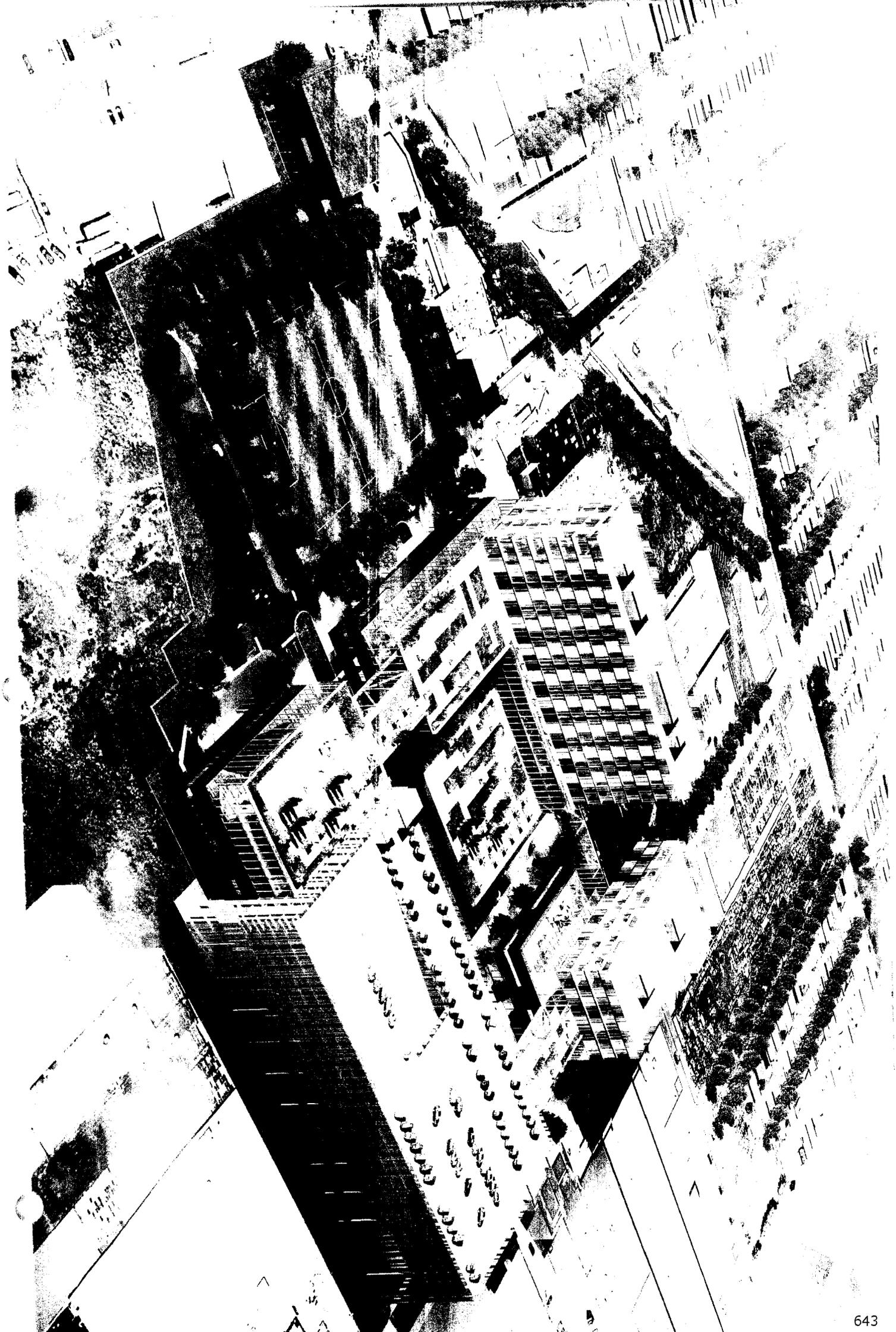


**Courtyard View of the Focal Point Campus**

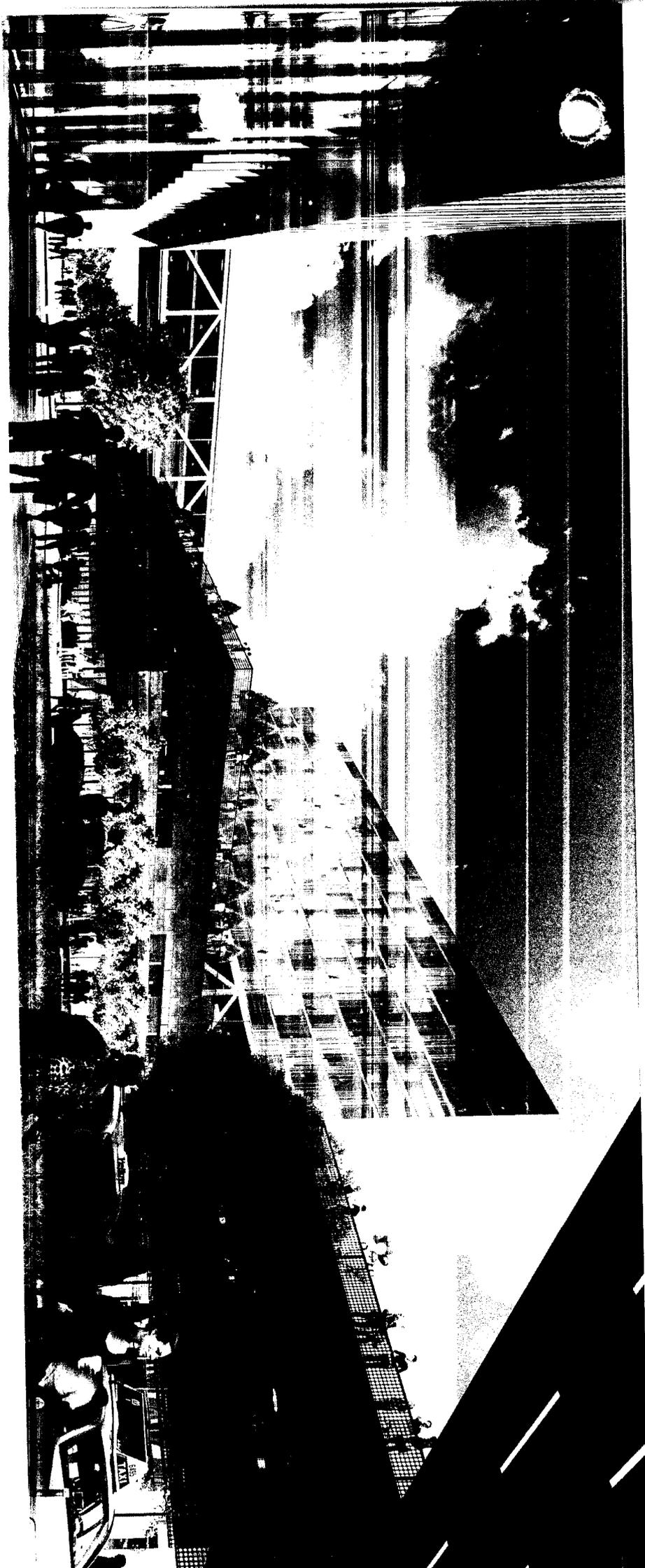


Frontal View of Hospital









*Appendix C – Whitepaper – “Creating Community-Centric Hospitals in Lower Socioeconomic Areas: A Study in Chicago’s Near Southwest Side”, HDR, April 2012*

engage | discover  
participar | descubrir



CREATING COMMUNITY-CENTRIC HOSPITALS  
IN LOWER SOCIOECONOMIC AREAS  
**A Study in Chicago's Near Southwest Side**  
Summary of Research

HDR

# CONTENTS

<b>I</b>	EXECUTIVE SUMMARY	02
<b>II</b>	BACKGROUND	03
<b>III</b>	LITERATURE REVIEW	07
<b>IV</b>	METHODS	10
<b>V</b>	RESULTS	19
<b>VI</b>	CONCLUSIONS	31
	BIBLIOGRAPHY	32
	APPENDIX	34

## RESEARCH TEAM MEMBERS:

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Research Assistant  
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### **Bethany Friedow, MS, EDAC**

Research Assistant  
HDR Architecture

### **Abbie Clary, AIA, ACHA, LEED AP**

Central Region Director of Healthcare  
HDR Architecture

## EXECUTIVE SUMMARY

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In partnership with the University of Nebraska Medical Center, College of Public Health and the University of Nebraska–Lincoln, College of Architecture, HDR Architecture sponsored and conducted a community needs and visioning study in Chicago to gain a thorough understanding of stakeholder expectations for U.S. healthcare provision and education in lower socioeconomic communities. HDR has identified the community-centric hospital as an emerging model of healthcare, and as such, desires to develop research and strategies to best inform the design of facilities that support this model. Saint Anthony Hospital was asked to participate because of its current commitment to the betterment of its community, as evidenced by its existing service programs and vision to bring an improved, viable healthcare delivery model to its community. This study will support the Hospital's mission by helping to inform plans for the relocation and building of a new Saint Anthony Hospital, with a view of assisting the hospital further its community-centric mission while ensuring its sustainability.

This research follows the framework of evidence-based design, which has increasingly elucidated the important role of the architectural environment on organizational and health outcomes. However, the current research is one of the first attempts to bring evidence-based design to the community scale, fully integrating a healthcare institution into the community context.

Mixed research methods were used in this study, including interviews, focus groups, and population surveys (sample size of 722 residents) in both current service areas, such as North Lawndale and South Lawndale (Little Village), as well as potentially new communities, spanning from Berwyn to West Lawn to New City. The study occurred from late 2011 to early 2012. Study results show generally positive perceptions of Saint Anthony Hospital by local residents, and general support for the relocation of Saint Anthony Hospital from its current location at 19th Avenue and Marshall to the potential new location at 31st Street and Kedzie Avenue.

Residents perceive health as much more than healthcare, encompassing wellness, self-sufficiency, and overall quality of life at both the individual and community levels. As such, residents are inspired by the possibility for a community-oriented hospital such as Saint Anthony to offer educational, cultural and community development opportunities in addition to the provision of healthcare treatment services.

Concerns about the potential new location of Saint Anthony include the move away from African-American neighborhoods and the lack of current transportation access to the new site. However, the relocation can also present new opportunities such as the expansion of Saint Anthony's service area and the possibility to develop new social and economic activities that stimulate, enrich, and connect local communities. These findings point to design options that can include decentralized or mobile services in different communities as well as a hospital that is much more aligned with the concept of a comprehensive community center or campus versus a solitary medical facility. It is clear also that the planning of the hospital will need to take into account broader urban planning issues to ensure an integrated approach to the development of the communities served.

In conclusion, this study informs both the design of Saint Anthony as well as solutions for community development. It confirms Saint Anthony's standing as a trusted member of the community. It offers insights that can help Saint Anthony sustain its leadership by contributing further to community health and development in novel and innovative ways. This study also establishes benchmark indicators that can be tracked over time to assess Saint Anthony's long-term impact on the communities it serves. The relocation of Saint Anthony Hospital represents new social, economic, education and wellness opportunities that can significantly improve the health and quality of life of local residents.



## BACKGROUND

Saint Anthony Hospital is a mid-sized, short-term, acute care community hospital in an underserved area of Chicago. It has approximately 1,000 employees, and its licensed bed capacity is 153. Saint Anthony Hospital has faced significant financial hurdles. In 2007, it was on the verge of closing its doors, with an operating margin at a loss of 17.6%. New management saw potential there, however, and began to turn Saint Anthony's future around. Since that time, Saint Anthony Hospital has become more effective and efficient in offering its much-needed services to the community. It posted a positive operating margin of 1.9% in 2008, and a slight improvement to 2.4% in 2009. In the meantime, the City of Chicago has offered to provide the hospital with an 11-acre parcel in an industrial area some distance southwest of the site of the current, aging structure.

As Saint Anthony Hospital's leaders look toward potentially building on this new site, they want assurance that the project serves community needs and successfully engages with its key target markets in a financially viable and sustainable way. They want to better understand community and stakeholder perceptions, cultures, and needs as related to healthcare and perceived community health overall. Rather than simply assuming that a new

facility will attract and positively impact local communities, Saint Anthony Hospital leadership wants the project to be deeply connected with community groups and their needs from its inception. They are open to the designed result being much different than, and possibly much more than, what we typically associate with the word, "hospital." Because the potential relocation of Saint Anthony Hospital is a critical strategic decision that will impact the entity's long-term goals and performance measures, an assessment of community (i.e., customer) needs via scientific research tools was essential.

HDR recognized the potential in Saint Anthony's "hospital without walls" concept to achieve both improved community health outcomes and sustainable financial viability. HDR's leadership sees great potential in community engagement to inform and evolve existing processes and standards in the field of healthcare architecture. To that end, HDR has funded this research project as part of its continuing leadership at the forefront of design for health.

HDR formed a team including faculty and students from the University of Nebraska-Lincoln (UNL), College of Architecture and the University of Nebraska Medical



Center (UNMC), College of Public Health, to formulate and participate in the community research study. UNMC participants on the collaborative team focused on creation of the research design and methodology, instrument development, and descriptive data analysis and reporting. UNL participants advised and provided input on the process based on their areas of expertise. HDR personnel took the overall lead on the project, and handled research execution and data collection.

The research team includes the following individuals:

**Sheila Elijah-Barnwell**, PhD, AIA, EDAC, LEED AP, Vice President, HDR Architecture. With a doctorate in Architecture Education, Elijah-Barnwell leads HDR's Consulting Practices, Research, and University Educational programs. She is a 19-year veteran of the healthcare design field, with extensive experience as a project designer, project architect and project manager. Elijah-Barnwell is known for being a sensitive and collaborative designer. In all, she has worked on more than 50 healthcare projects throughout the United States, ranging from small community facilities to larger academic hospitals. This experience has proved vital in her efforts to grow the industry's collective intellectual and design capital in the creation of knowledge that supports evidence-based design efforts. Her passion for teaching and giving back to the profession led her to help found the HDR-sponsored Graduate Program in Healthcare Design at the University of Nebraska-Lincoln, a program designed to better educate a whole new generation of healthcare design leaders. She is proud to be a part of this avant-garde approach to 21st-century education that partners industry with academia. She is currently working to refine the program model, forging partnerships with academic institutions and programs within the Environmental Design, Public Health, and Medical fields. Elijah-Barnwell also advocates for the value and necessity of Post-Occupancy Evaluations, during which she works directly with end-users of the hospital in order to analyze the benchmarks set forth by the design, as well as the future possibilities for the hospital. Finally, she leads the firm-wide committee responsible for leaning HDR's internal design processes.

**R. Wayne Drummond**, FAIA, Professor, University of Nebraska-Lincoln. A fellow of the American Institute of Architects since 1996, Drummond has nearly 40 years' experience in architecture at both the professional and academic levels. His administrative experience includes eight years as department head at Auburn University (1979-87) and 20 years as dean of colleges of architecture at major universities, including Texas Tech (1987-90),



Florida (1990-99) and UNL (2000-11). He has served as the national president of the Association of Collegiate Schools of Architecture and the National Architectural Accreditation Board, and Tau Sigma Delta, the honor society for architecture and related professions. Drummond has dedicated interests in both healthcare design and healthcare design research. He continues to provide leadership in the College's public/private healthcare initiative, teaches an interdisciplinary college-wide required course in Professional Practice, and mentors M.Arch Design Thesis students.

**Terry T-K Huang**, PhD, MPH, CPH, Professor and Chair, Health Promotion, University of Nebraska Medical Center College of Public Health. Huang has been at the forefront of "green health convergence," a new line of scientific inquiry that aims to develop an evidence base for architectural impacts on health and environmental sustainability. He is a nationally renowned obesity scientist and is currently engaged in research that connects school architecture and design with diet and physical activity promotion in children. He is also engaged in academic and policy discussions at the local and national levels that aim to merge the fields of architecture and public health.

**Yunwoo Nam**, PhD, Assistant Professor, Community and Regional Planning, University of Nebraska-Lincoln; Faculty Fellow, Center for Advanced Land Management Information Technologies (CALMIT). Nam is the recipient of

UCGIS (University Consortium of Geographic Information Science) Junior Faculty Award. He received his PhD degree in City and Regional planning at the University of Pennsylvania.

**Ozgur Araz**, PhD, Assistant Professor, Health Promotion, University of Nebraska Medical Center, College of Public Health. Araz is an expert on system dynamics modeling with a background in industrial engineering and public health. He uses complex systems science framework for modeling and measuring built projects' viability and sustainability.

**Andrew Jameton**, PhD, Professor, Health Promotion, University of Nebraska Medical Center, College of Public Health. Jameton is an expert on the philosophy of health and environmental sustainability. He has published numerous papers on this topic and is particularly interested in how individuals in the community view their built environment and how individuals can be motivated to shape it.

**Jeri Brittin**, MM, Associate IIDA, Doctoral Student, Health Promotion, University of Nebraska Medical Center, College of Public Health. Brittin is interested in research at the crossroads of built environment design and public health. She previously held senior-level marketing management positions, and is a professional interior designer.

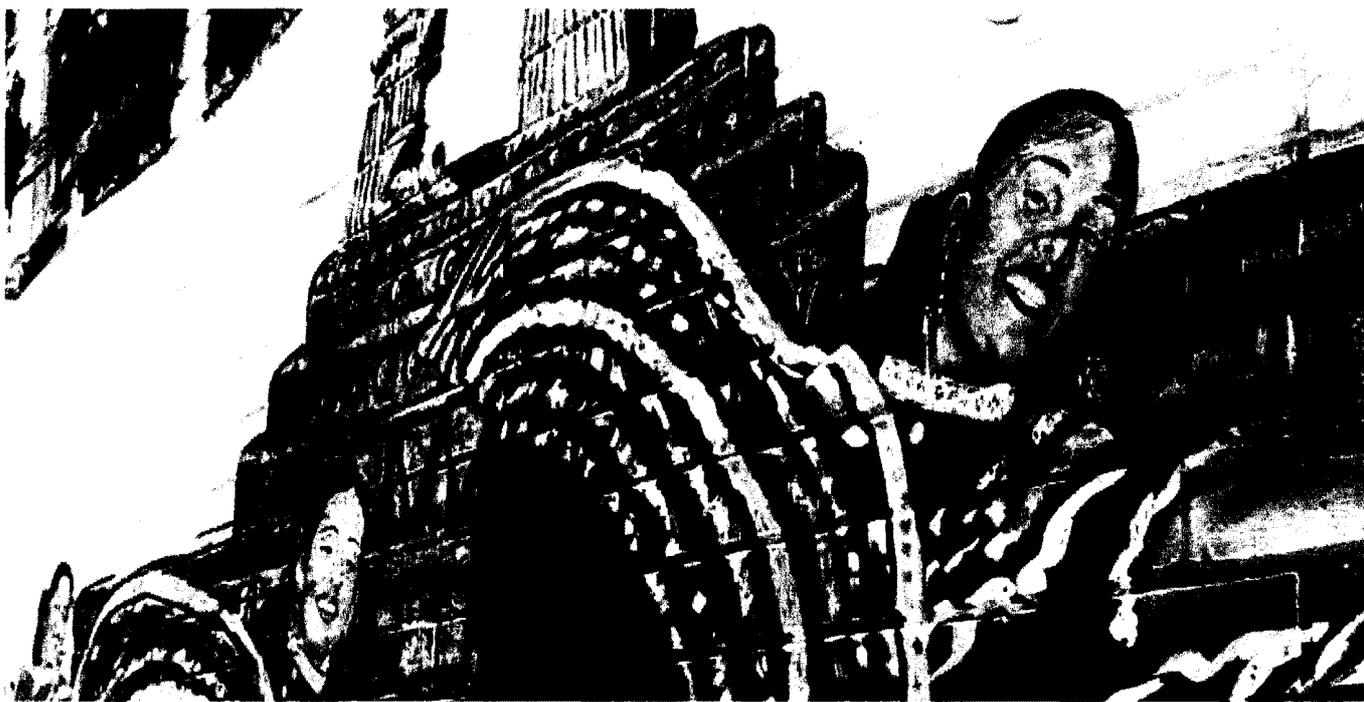


**Ernesto Sanchez-Andrade**, Research Assistant, HDR Architecture. Sanchez-Andrade is a graduate of Facultad de Arquitectura, UNAM in Mexico City. He holds a license to practice architecture in Mexico. Sanchez-Andrade has spent the past five years in the United States practicing architecture and serving as a visiting lecturer and undergraduate architecture design studio instructor. He brings a keen sensitivity and astute listening skills to research focused in multi-cultural domains.

**Bethany Friedow**, MS, EDAC, Research Assistant, HDR Architecture. Friedow's specialties include developing survey methodologies and frameworks for conducting various types of architectural research evaluations. She has also worked extensively in the technological domains of architecture and design, including laser scanning and BIM. Her research interests lie in cultivating a greater understanding of how design impacts health, wellness and human relationships.

**Abbie Clary**, AIA, ACHA, LEED AP, Central Region Director of Healthcare, HDR Architecture. Clary leads HDR's healthcare program in the Midwest. She brings more than 15 years of experience in healthcare architecture and is recognized for her management skills and comprehensive approach to project delivery of complex medical facilities. She is an advocate for balancing operations, technology, and patient-centered care models to create environments that best support patients' healing process while equally supporting those providing care. Clary is an expert in creating collaborative teams and provides dynamic leadership for the myriad participants involved in a project team.

This project report presents the final findings of six months of planning and research that began in September 2011. The human subjects research protocol was reviewed and approved by the Institutional Review Board of the University of Nebraska-Lincoln. The report is intended to help Saint Anthony Hospital's leadership better understand the perceived needs of their constituent and target communities and to assess both the opportunities and the challenges that may result from a potential move from its current location at 19th and Marshall to the new site at 31st and Kedzie in Chicago.



## LITERATURE REVIEW

A review of the existing literature revealed a significant gap in knowledge about how a hospital might become more “community-centric” (i.e., defining itself and its services around community needs to improve community health and further community development), while being financially sustainable in a predominantly low-income urban area.

### PUBLIC HEALTH AND COMMUNITY ENGAGEMENT

There is a long history of public health research engagement and intervention to improve health in underserved urban areas. However, community collaboration in public health programs and research can be challenging, partly because community health has historically been defined in ambiguous and contradictory ways (MacQueen, et al., 2001). Thus, public health programs have varied considerably in their goals and methods over the past 30 years. Baker and Brownson began to define the necessary characteristics of community-based health programs in 1998. Specifically, the authors stated that effective programs need to use ecological frameworks that attend to individual, interpersonal, community (including social and economic factors), organizational, and governmental factors; to be tailored to meet the needs of individuals and communities; and to provide the opportunity for those affected by programs to participate

in program development, implementation, and evaluation (Baker & Brownson, 1998). Building upon this and other work, Lindau of the University of Chicago has recently defined seven key steps to building community healthcare programs. These steps include: continuous community engagement and relationship building; identifying community priorities; identifying community assets; leveraging community assets; conducting research; sharing knowledge; and informing action (Lindau, et al., 2011).

While some flexibility in definition and goals is critical to the effectiveness of any community engaged program, it is also important to determine a set of defining characteristics in order to distinguish community-based programs from other types of health promotion activities (MacQueen, et al., 2001). Thus, a basis exists for achieving consensus on the definition and processes of community-based health-related services. This attainment of perceived community consensus is essential to build and support communities in ways that enhance the health of their members. This type of consensus does not necessarily mean that all constituents want the exact same things, but that there is overall balance of alignment on a range of issues. Engagement and consensus also provide a sound theoretical basis for building successful community collaborations in public health through the systematic evaluation of who participates, why they participate, and how participants are connected to each other and to their constituencies (MacQueen, et al., 2001).

## THE BUILT ENVIRONMENT'S IMPACT ON COMMUNITY HEALTH

As the relocation decision presents an opportunity for the hospital to redesign its physical presence in the community via a new facility/campus, we also investigated existing research on the impact of the environments of health service providers on healthcare outcomes. This area of research has been growing rapidly in recent years. Many studies have collected empirical evidence demonstrating connections between the environmental design of healthcare facilities and outcomes that are important for patients, families, healthcare staff, and healthcare organizations (Ulrich, et al., 2008).

A discipline known as evidence-based design (EBD) has emerged in response to this growth in environment and health advocacy and research. Evidence-based design is defined as the process of basing decisions about the built environment on credible research to achieve the best possible outcomes (The Center for Health Design, 2008). Ulrich's and Zimring's work shows that EBD can improve healthcare environments in three key ways: enhancing patient safety, eliminating environmental stressors, and promoting patient healing. (Rollins, 2004) The benefits of implementation of EBD in healthcare organizations includes benefits such as enhanced quality and safety, decrease in staffing turnover, decreased rate of infections, and increased patient and staff satisfaction are worthwhile (Spikes & Aduddell, 2010).

However, despite the rapid increase in EBD research over the past decade, the impact of EBD in a community-centric context—a far less controlled environment—has received little attention and requires significant further examination.

Current analyses have repeatedly emphasized the need for future studies to integrate built environment characteristics in public health-related research. Given the complexity of the built environment, understanding its influence on human health requires a community-based, multilevel, transdisciplinary research approach (Srinivasan, 2003). Community and university collaborators working with shared vision and institutional support will need to engage to build mutually beneficial community-based health research infrastructures.

## THE IMPORTANCE OF COMMUNITY-BASED HEALTHCARE

Health in the United States is often, though not invariably, correlated along both socioeconomic and ethnic lines, suggesting links between hierarchies of social advantage and healthcare (Braveman, Cubbin, Egerter, Williams & Pamuk, 2010). Current research into socioeconomically disadvantaged neighborhoods supports this notion that health disparities do, in fact, exist based upon ethnicity (Parrill & Roberts, 2011). The disparities related to race and ethnicity are attributed to the complex interaction of social, economic, and physical environments, which influence minority health. A better understanding of these environments in addition to a better understanding of minority groups' value and belief systems about healthcare and its utilization are necessary to reducing health disparities and developing more culturally competent healthcare services for ethnic minority groups (Rogers, 2010).

Research suggests that characteristics of the local population, including language and nativity, play an important role in access to healthcare among U.S. Hispanics (Carole, Jeannette, & Escarce, 2009). This research points to the need for further analyses of other racial and ethnic groups using different geographic constructs for describing the local population, as well as for more specific exploration of the mechanisms through which these characteristics may influence access to care. According to Lindau et al. (2011), health centers located within the community can use studies to inform investments responding to community priorities. These investments will create linkages to best practices, community member access to health data and data support, and training, health workforce development, and entrepreneurship opportunities.

In a study conducted by Matthews and Yang (2010), neighborhood environment was found to have both direct and indirect associations with health. It was emphasized that there is a need for future studies to advance knowledge by untangling the intertwined relationship between built and social environments, stress, and health (Matthews & Yang, 2010). One way this knowledge can be advanced is through the use of community-based participatory research (CBPR). CBPR defines ways community members should be involved in the creation of health. The principles of CBPR include: 1) prioritizing community needs, health issues, and assets, 2) cooperative development of research and research ethics infrastructure,



including participation and co-learning for mutual benefit, and 3) using data to inform and engage community members (Lindau, et al., 2011). Lindau and her colleagues at the University of Chicago conclude that community and university collaborators working with shared vision and institutional support can engage to build mutually beneficial community-based health research infrastructure. Unlike the University of Chicago, Saint Anthony Hospital does not intend to operate as a research institution. However, an ongoing community-engaged research program will likely be necessary to model, measure, evolve, and achieve community health and financial objectives over time.

Health researchers have explored how different aspects of neighborhood characteristics contribute to health and well-being, but current understanding of built environment factors is still limited. Studies have found that a community health orientation and a community-based quality orientation lead to greater provision of health promotion services (Ginn, 2006). Specifically, Ginn states that “community health and community-based quality orientations were positively and significantly related to both the direct provision of health promotion services by hospitals and the collaborative provision of health promotion services through systems, joint ventures, and networks.” However, very few research studies which have been able to document these processes and outcomes and translate them into a real-world setting. These gaps in research have important implications for future health-related work on the built environment and other

core public health activities. (Lopez, 2009) With a solid community engagement infrastructure in place, there is opportunity for a health research and development infrastructure that will benefit community members and medical providers alike (Lindau, et al., 2011).

Saint Anthony is taking a bold step, forging new territory in community/market-engaged architecture that is intended both to improve community health and ensure sustainability of health services—and possibly other services—offered in a low-income community. Its work may likely inform future similar efforts by other community-based hospitals in multi-cultural urban areas.

The current report summarizes research undertaken to reach out to Saint Anthony’s current and potential constituent communities and to reach out to Saint Anthony’s current and potential constituent communities and to characterize the experiences and needs of these residents as well as their perceptions of health and healthcare and vision for a community-centric hospital. This research is intended to inform the design and service offerings of the new Saint Anthony Hospital, taking into account community aspirations as well as community deficiencies that can potentially be transformed into Saint Anthony Hospital opportunities.

## METHODS

This community study used a mixed-method approach, employing a community cross-sectional survey, key informant interviews, and community member focus groups. Because of the short timeline of the study, all research efforts and instruments were developed simultaneously, with the intention of using qualitative input to add depth and complement learning from the quantitative findings. This research “package” was intended to maximize potential actionable learning from the community within limited time and budget parameters.

### KEY INFORMANT INTERVIEWS

Nine individual key informant interviews were conducted between December 5 and 8, 2011.

The interviewees were leaders of churches and community organizations representing the Saint Anthony Hospital service area in Chicago. Generally, the interviews were one- to 1 ½-hour conversations that occurred at the participants’ office locations. The participants included both male and female, African-American and Hispanic, church, parish, and community organization leaders from the area.

### SAMPLING METHODOLOGY

The participants were contacted via Saint Anthony Hospital’s community outreach staff. Nine of the individuals contacted were willing and available to meet for interviews during the designated date range. They received no compensation for their input.

### COMMUNITY CROSS-SECTIONAL SURVEY

Development of the community cross-sectional survey instrument drew on work by the following scientists: research team member Terry T-K Huang, PhD, MPH, CPH; James F. Sallis, PhD, who specializes in environment and health research; and Li-Wu Chen, MHSA, PhD, a specialist in health services research and healthcare utilization. The survey included questions about sociodemographics, healthcare access and use, availability and use of community assets and transportation, neighborhood walkability (Sallis, NEWS Survey), as well as questions intended to assess intention for future use of potential neighborhood services.

Surveys were mailed on December 20, 2011. Follow-up postcards with a link to an online survey were mailed subsequently later in January. The online survey was

available from 2/1/2012 to 2/19/2012. In addition, community survey collection events took place from 9 a.m. until 7:30 p.m. on 2/8/2012 and 2/10 at Rauner YMCA, 2700 Western Avenue. Survey collection also took place from 8 a.m. until 7 p.m. on 2/8/2012 and 2/10/2012 at Better Boys Foundation, 1512 S. Pulaski Road. A third day of collection took place from 11 a.m. until 1 p.m. at Rauner YMCA and from 2 until 4 p.m. at Lawndale Christian Development Corp., 3842 W. Ogden Avenue on 2/11/2012.

Paper survey data entry occurred in mid to late March 2012, followed by a thorough process of data cleaning and cross-checking. Initial frequencies for all variables were run, and all data entry errors corrected. No uncontrolled data errors due to the online survey were identified. Final frequencies for all variables were run, and the codebook updated accordingly.

### SAMPLING

Since we knew from census data that Internet- and phone-based survey methods would ineffectively reach a representation of the entire area population, we developed a paper survey. The survey mailing targeted a probability sample of 3,497 adult heads of households (age 18+) in the Saint Anthony Hospital service area, stratified by four neighborhood area groupings based on existing neighborhood boundaries and directional location from the hospital’s current site. A raffle for 16 iPads (determined based on budget and logistical barriers of offering cash incentive for response within the time frame) generated an insufficient sample quantity of 124.

In order to supplement responses from the initial mailed paper surveys, a follow-up postcard was sent to direct those with Internet access to an identical online version of the survey. We received 49 online completed surveys.

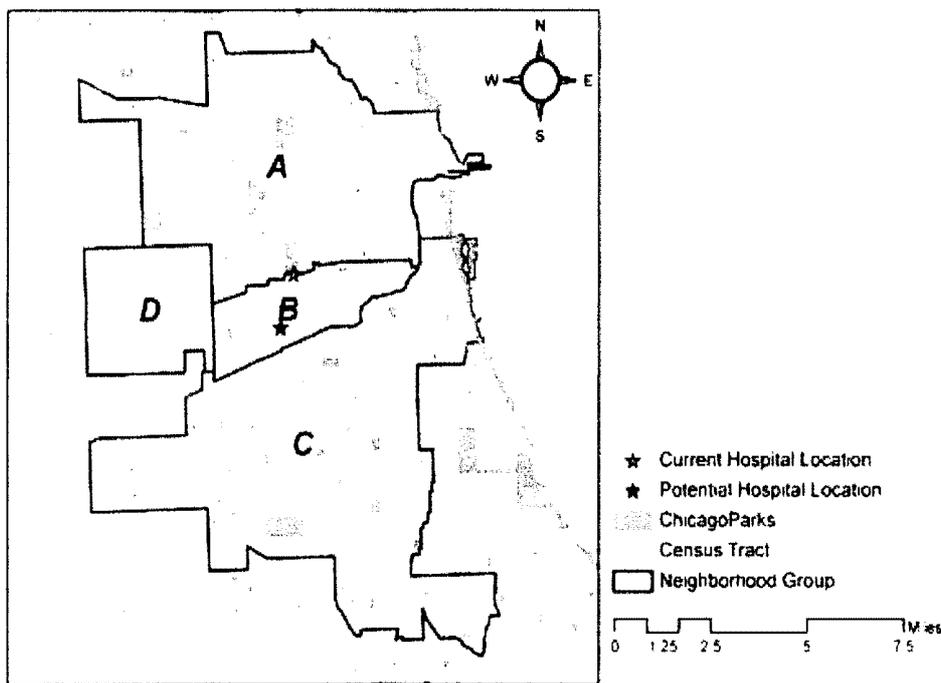
In addition, four on-site survey collection events were communicated via community organizations, fliers posted in the neighborhoods, and word of mouth. These were held at three local community locations: Rauner YMCA, Better Boys Foundation, and Lawndale Christian Development Corp. An additional 582 completed surveys were collected through this community convenience sampling method.

Of the total 755 surveys received, 733 included sufficient data to be coded to a neighborhood area. Eleven of these were identified as far flung outliers from the neighborhood areas of interest. The total final sample size was therefore 722. The number of iPads available for the drawing was subsequently reduced from 16 to 7 to maintain the IRB

required ratio of winners to participants at 1:100. Although not originally part of the study design, an incentive of \$5, provided by Saint Anthony Hospital, was offered to anyone completing the survey either in paper form or online.

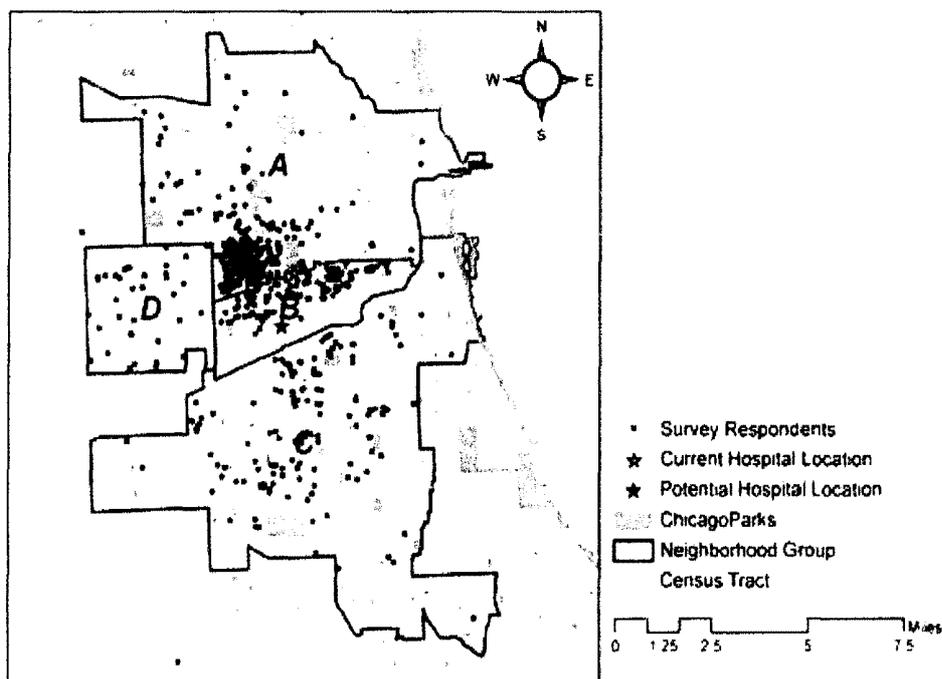
In this work, we grouped 31 neighborhoods into four neighborhood groups, as shown in Figure 1: Map of Four Neighborhood Groups Used for Analysis.

FIGURE 1: FOUR NEIGHBORHOOD GROUPS USED FOR ANALYSIS



CHICAGO COMMUNITY AREAS AND SURVEY RESPONDENT COUNTS BY NEIGHBORHOOD GROUP							
NORTH END GROUP (A)		CENTRAL GROUP (B)		SOUTH END GROUP (C)		WEST END GROUP (D)	
336	North Lawndale	69	South Lawndale	32	Brighton Park	23	Berwyn
23	East Garfield Park	57	Lower West Side	22	Gage Park	17	Cicero
19	Austin			15	McKinley Park		
18	West Garfield Park			14	West Lawn		
10	Near West Side			13	Chicago Lawn		
7	Humboldt Park			12	New City		
2	Logan Square			9	Garfield Ridge		
2	Near North Side			6	West Englewood		
1	Hermosa			5	West Elsdon		
				5	Bridgeport		
				3	Auburn Gresham		
				2	Near South Side		
				1	Englewood		
				1	Douglas		
				1	Clearing		
				1	Armour Square		
				1	Archer Heights		
				3	Auburn Gresham		

FIGURE 2: LOCATION OF SURVEY RESPONDENTS WITH FOUR NEIGHBORHOOD GROUPS USED FOR ANALYSIS



It is noted that survey responses are not randomly or equally distributed across the analysis area. Group A has 57%, Group B has 17%, Group C has 20%, and Group D has 5% of total responses. As shown in Figure 2: Location of Survey Respondents with Four Neighborhood Groups used for Analysis, a large portion of responses are located in the south part of Group A and the north part of Group B.

### FOCUS GROUPS

Four community focus groups were conducted as follows:

1. Thursday, February 9, 2012, 1-2:30 p.m., Rauner YMCA, 2700 Western Avenue.
2. Thursday, February 9, 2012, 7-8:30 p.m., Rauner YMCA, 2700 Western Avenue.
3. Friday, February 9, 2012, 7-8:30 p.m., Better Boys Foundation, 1512 S. Pulaski Road.
4. Saturday, February 11, 2012, 9-10:30 a.m., Rauner YMCA, 2700 Western Avenue.

### SAMPLING

Community members were recruited through community organizations with whom Saint Anthony Hospital has relationships.

The participant demographics represented a reasonable cross-section of the community: 16 women and 23 men, a mix of Spanish and English speakers, and individuals of both African-American and Hispanic/Latino or Mexican-American ethnicity.

### QUANTITATIVE ANALYSIS

The final survey data was analyzed using SPSS v.20 statistical software. Initially, we performed basic descriptive statistical analyses to understand the profiles of survey respondents. Variables were recoded based on attaining sufficient cell sizes for neighborhood group stratified analysis (defined by Saint Anthony Hospital as communities in current and potential service areas), and cross-tabs run based on the four neighborhood groups. Comparison tests using Pearson Chi-Square, Fisher Exact Test, or Analysis of Variance (ANOVA) were run to generate initial unadjusted p-values (not included in this report). Based on additional testing of the effects of various variables on comparisons using multinomial logistic regression, three key demographic variables were identified as having significant effects. These variables were age, gender, and ethnicity, which can typically play confounding roles in

data analysis if not adjusted for. Subsequent multinomial logistic regression analysis was run to determine two sets of p-values: one removing the effects of (adjusting for) age and gender, and one removing the effects of ethnicity. Thus there were two Base Models, one model including Age (continuous variable), Gender and Neighborhood Groups, and one model including those variables plus Ethnicity Groups.

Since ethnicity is very closely correlated with neighborhood area groups in this part of Chicago, the comparison of the two p-values allows us to identify the degree of effect of ethnicity in differences between the areas where applicable.

A p-value less than .05 means that we are 95% confident that there is a significant difference between the neighborhood areas. Variables without a significant difference by area may also provide informative trends.

Following are some examples intended to help interpret the data in the results tables in this report:

1. Marital Status (an example found in Table 1 in Appendix) is significantly different between the neighborhood areas (p-value < .001) when adjusted for age and gender. The percentages show that the proportion of "never married" people in the Northern Neighborhood Area is significantly higher than in the other areas. However, when adjusted for age, gender, and ethnicity, the neighborhoods are not significantly different, i.e. p-value = .359. This means that ethnicity is correlated with marital status, and that it more likely explains the differences than the neighborhood locations themselves.
2. Having Internet access at home (an example found in Table 2) is significantly different between the neighborhood areas, adjusting for age and gender in one model, and adjusting for age, gender, and ethnicity in a separate model (both p-values < .001). Since the two p-values are equivalent, ethnicity is not playing a role in the difference between neighborhood areas. This neighborhood difference is likely due to varying education levels.
3. All neighborhood areas indicate that having public transportation near a healthcare facility is important. The adjusted p-values in this case (.658 and .491) indicate a lack of difference between the areas. However, this information may still be quite useful to Saint Anthony Hospital.

## SAMPLE CHARACTERISTICS FROM THE QUANTITATIVE DATA

Although the cross-sectional survey was primarily constructed through convenience sampling, based on a comparison of key census characteristics (with the exception of gender, which is weighted more heavily toward males in the sample, but adjusted for in analysis), it is a reasonable representation of the four neighborhood groups. Because of the prominent location of the survey collection site in North Lawndale, the overall sample is weighted toward North Lawndale residents. In addition, the sample size from the suburbs of Berwyn and Cicero is relatively small, placing some limitations on statistical comparisons with other neighborhoods. However, for the purposes of the current analysis, the methods used are sufficient to reasonably extrapolate findings from comparisons to these neighborhood areas of Chicago. The findings would not be generalizable beyond these unique areas of Chicago.

GI\* statistics confirm the findings from our research data.

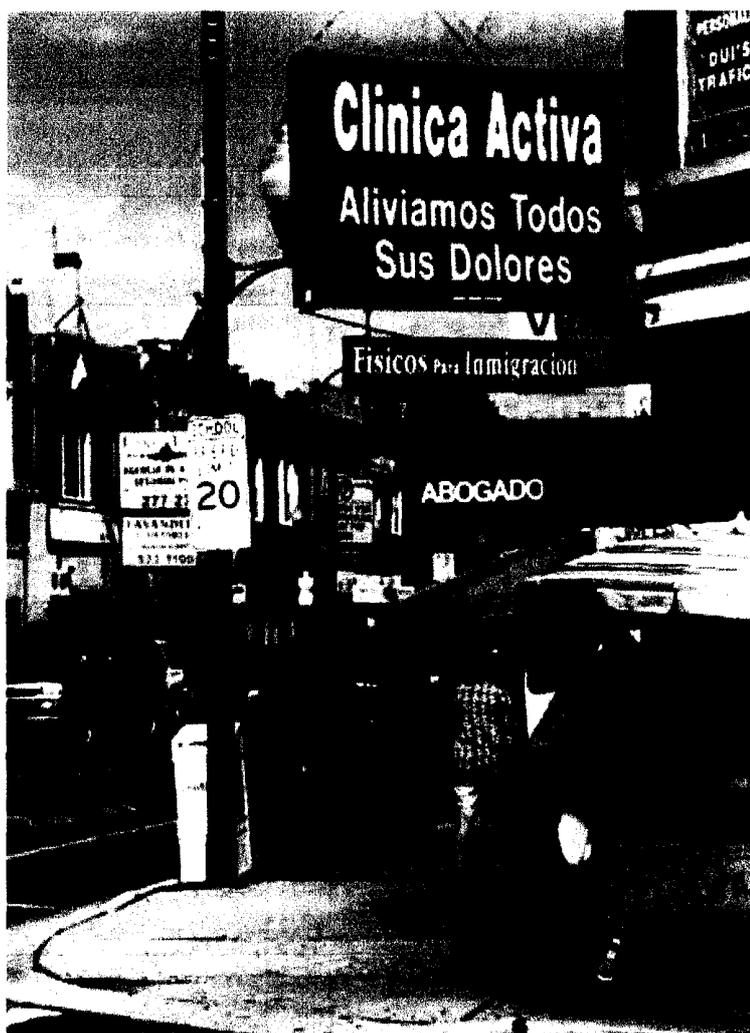


FIGURE 3: CLUSTER OF AFRICAN AMERICAN POPULATION – GI\* STATISTICS

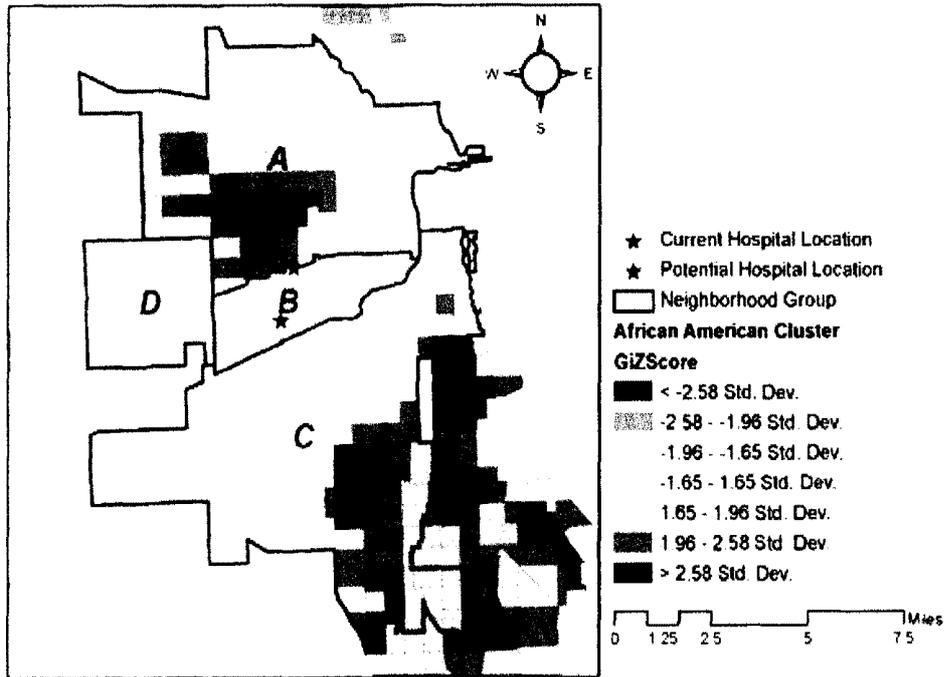
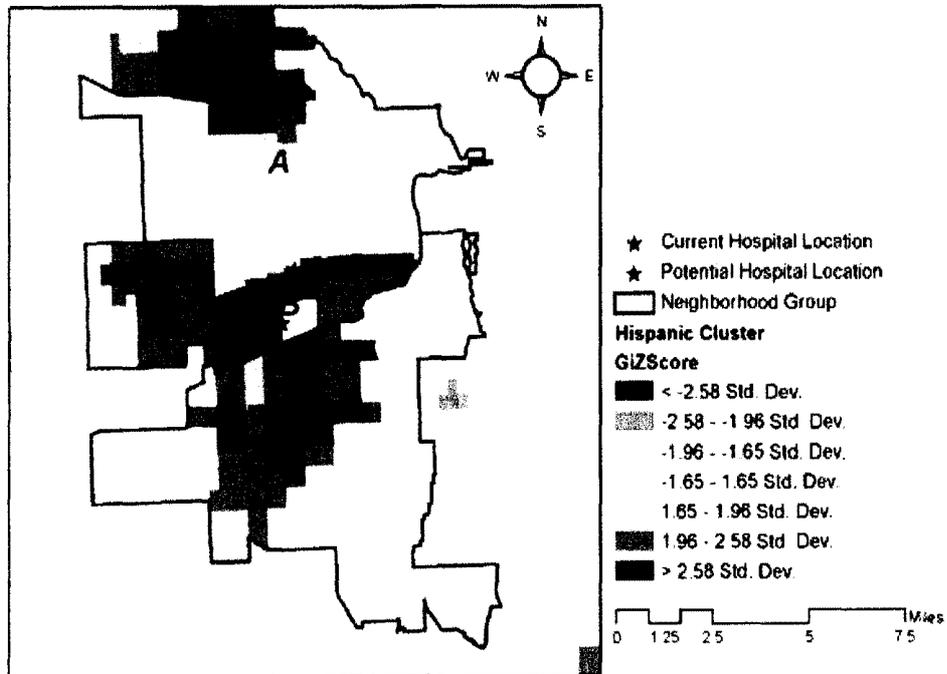
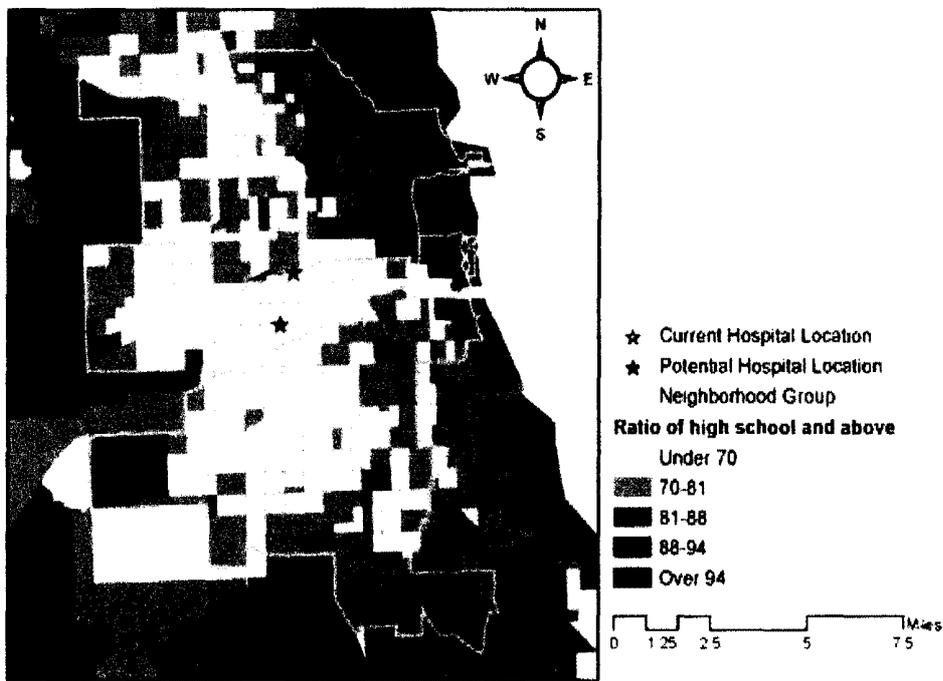


FIGURE 4: CLUSTER OF HISPANIC POPULATION – GI\* STATISTICS



The four neighborhood groups used for this analysis show interesting community characteristics. GI\* statistics identify the location of clusters and test the statistical significance of clustering. Areas where high values cluster are located are called hot spots, and areas where low values cluster are located are called cold spots. Zscore shows statistical significance of the clustering. The cluster map of Hispanic population clearly shows that Hispanic population is dominant and forms statistically significant clustering in Groups B,C, and D. Interestingly, African-American populations have clusters in the south part of Group A and the south part of Group C.

**FIGURE 5: EDUCATION LEVEL – RATIO OF HIGH SCHOOL OR HIGHER**

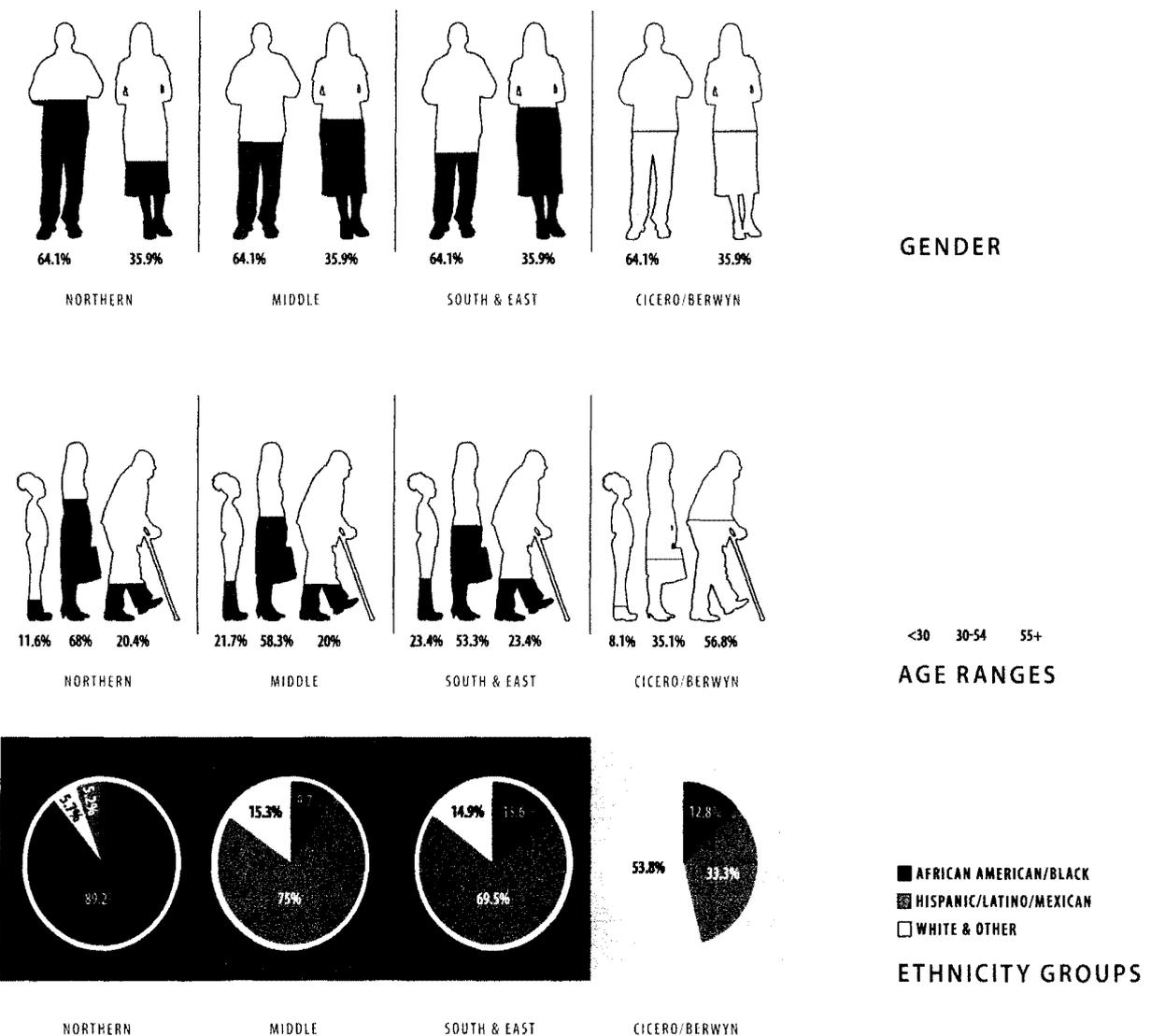


The map of education presents the ratio of population with a high school degree or higher. This clearly indicates that the neighborhood groups for this analysis have relatively low education levels compared to Cook County, Illinois.

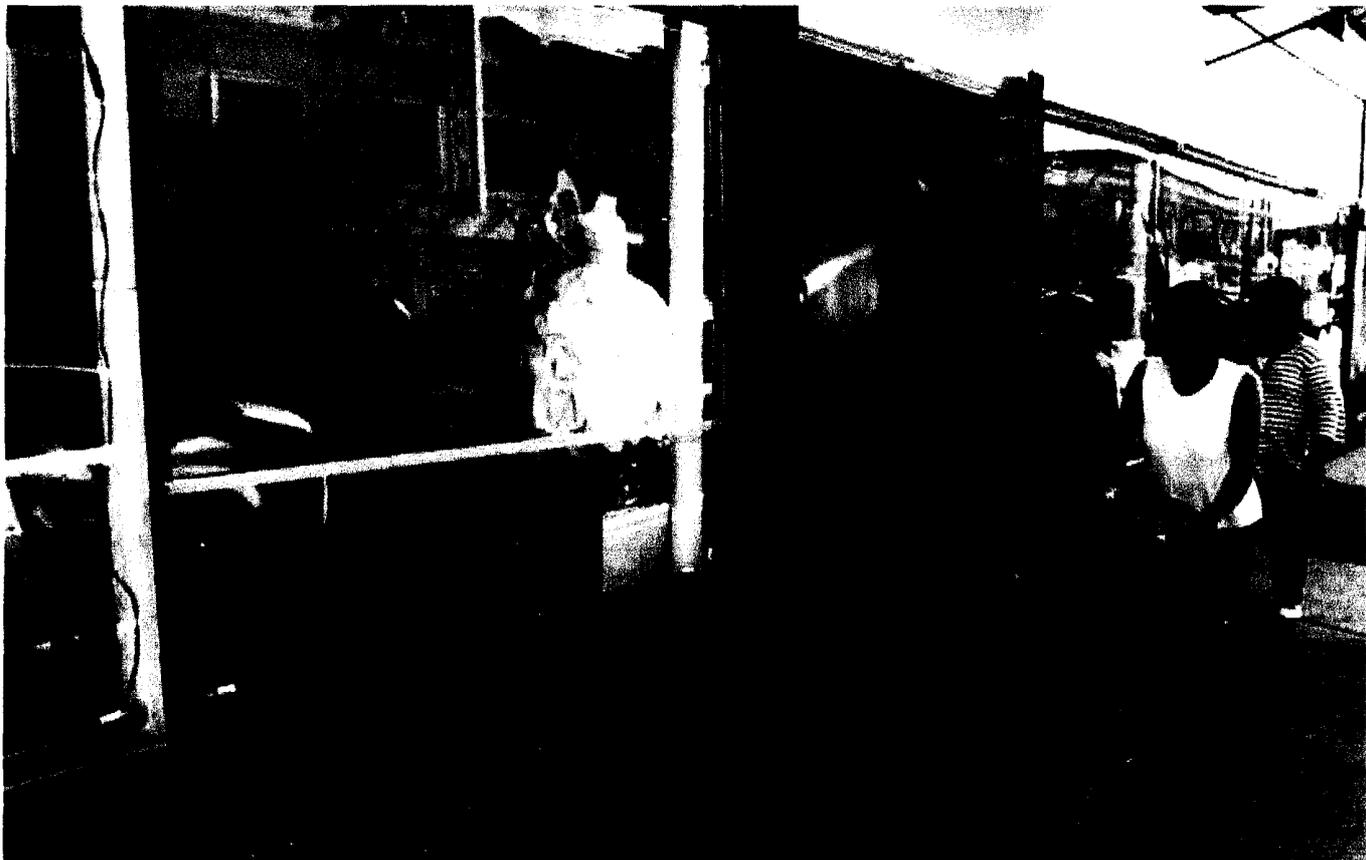
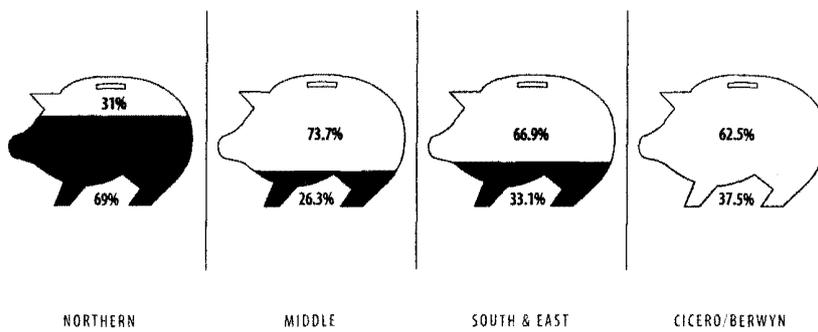
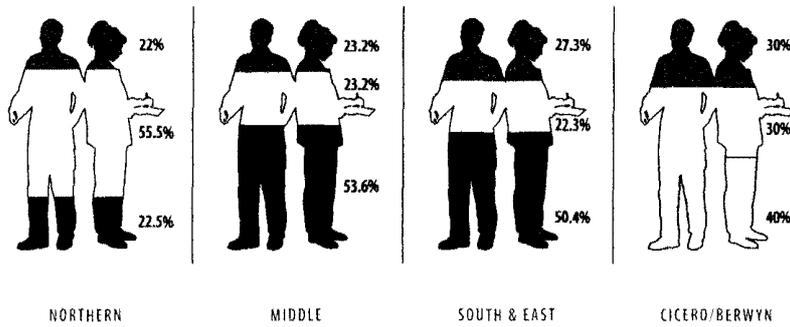
Graphic 1 (full associated table in Appendix) summarizes key demographic descriptive statistics of the Saint Anthony Hospital service areas based on the cross-sectional survey. Here we see a predominance of low income and unemployment, as well as some prominent differences between the neighborhood areas. It is important to note the very strong correlation of ethnicity to neighborhood areas. Because of this close correlation, the analysis includes p-values that do and do not adjust for ethnicity, so that we can see its effect when the values are different. For example, religious affiliation is highly associated with ethnicity. Saint Anthony Hospital will need to consider the demographic characteristics of the community areas as it formulates its plans.

## GRAPHIC 1

FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



# GRAPHIC 1 CONTINUED





## QUALITATIVE ANALYSIS

Qualitative data was input and coded, queried, and managed using NVIVO software. It was analyzed based on expected and emergent themes in the data. Themes included the following:

- » Defining Health
- » Community Member Health and Wellness (Health of Individuals, Access to Care, Impact of Immigration)
- » Health of Community Overall (Economic Environment, Social & Political Environment, Community Involvement)
- » Educational Environment
- » Physical Environment
- » Defining Quality of Care/Hospital Quality
- » Vision for Future—Health and Community
- » Saint Anthony Hospital Vision and Potential Move

Generally, all of the qualitative data (as a group, including key informant interviews and focus groups) was internally consistent. In addition, the qualitative data generally supports and enhances the quantitative findings shown in the next section.

## SPATIAL ANALYSIS WITH GIS

This section introduces the application of Geographic Information Systems (GIS) as an analytical tool for the health field. GIS is a rapidly developing field, which has been widely accepted by health care, community planning and many other disciplines (Cope and Elwood 2009; Koch 2005; Lang 2000; Longley et.al 2011). GIS clearly has much to offer to researchers and decision makers who deal with the challenges of the urban and rural environments.

GIS manages spatial information and data that is linked to a specific location. GIS analysis is a process for analyzing geographic patterns in your data and spatial relationships among features. Capturing the location information is useful for conducting more targeted analyses, understanding the social context pertaining to a particular geographic area, or understanding characteristics of an area that might influence the socioeconomic situation. This work used GIS to analyze community background information which is location specific features.

GIS is an excellent data exploration tool. Since GIS can integrate data from a variety of sources, researchers can develop a holistic view of the many different contextual variables that may be important to addressing a particular issue. It provides a methodology for drawing out useful information from data. The findings from exploratory analysis also provide another input into spatial modeling (Haining 2003). Exploratory spatial data analysis is to describe spatial distributions, discover patterns of spatial

association and spatial clustering, and detect outliers and anomalies. (Anselin 1993). In this report, GIS is mainly used as an exploratory approach.

Visualization is one of the basic GIS functions. This work used pin mapping to display the location of a dot or symbols at the coordinates of some features such as locations of hospitals, public facilities, parks or survey respondents. By looking at the locations of features, a researcher can begin to explore causes for the patterns identified. Good visual display of analytic results is also a powerful aid to both understanding and remembering. While discussions may be expressed in words or statistical output, visual images are an important aid to thought (Legates 2005). This report produced thematic maps to facilitate discussion.

Spatial statistical analysis is another important GIS function. Visually detected geographic patterns could be tested statistically. Clusters occur in a geographic distribution when features are found in close proximity or when groups of features with similarly high or low values are found together. By comparing the locations of clusters to the other features, you can start to identify possible contributing factors.

By looking at a map, you can draw conclusions about where there are clusters of features. Statistics let you test those conclusions and validate them by measuring features are closer than would occur by chance. Using statistics takes much of the guesswork out of identifying clusters. This work used Gi\* statistic to detect clusters of ethnic groups both of African American population and Hispanic population.

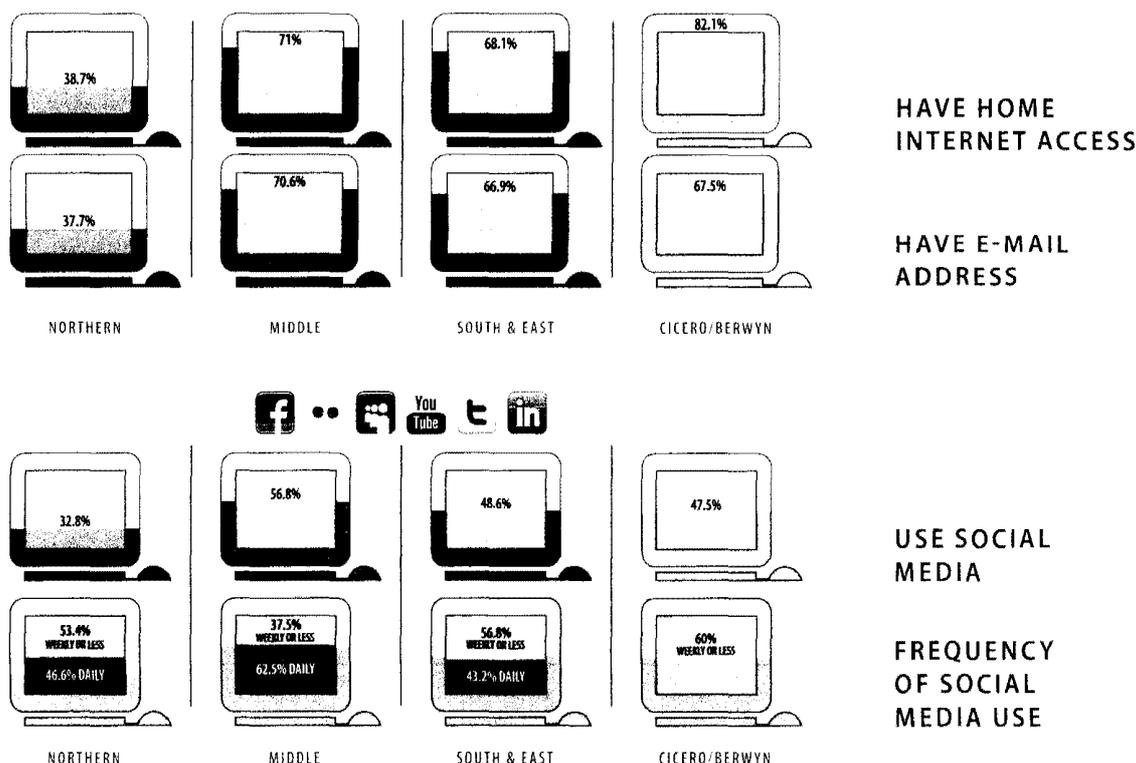
## RESULTS

### COMMUNICATION NETWORKS

Graphic 2 (full associated table in Appendix) shows significant differences in Internet and email access between the various community areas. In addition, the qualitative research indicates a strong word-of-mouth component of communication and social networking in these neighborhoods. Internet information access is quite limited. This finding has implications for modes of communication, social network patterns, and civic engagement, relevant to Saint Anthony Hospital's communication and outreach to its target markets. In addition, much community involvement revolves around church-related activities.

## GRAPHIC 2

FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



## DEFINING A COMMUNITY-CENTRIC HOSPITAL— COMMUNITY NEEDS AND DESIRES RELATED TO OVERALL HEALTH AND WELLNESS

Based on input from both qualitative efforts, participants view health broadly as “balance,” “self-sufficiency,” “vitality,” etc. Health is much more than healthcare. Health is integrated with values.

Despite well-known problems in area neighborhoods, many people are hopeful about improving education trends in elementary schools, and believe there are strengths in the community despite difficulties exacerbated by the recent economic downturn. It was noted that the work ethic in the Mexican/Latino community is particularly strong. Elders and multi-generations of women in the African-American community was identified as a strength. Saint Anthony Hospital has an opportunity to engage actively in some of these perceived assets. The importance of educating children is a unifying factor across ethnic groups.

Interview participants are very aware of health challenges in the community, e.g., diabetes, obesity, heart problems, overweight kids, etc. Some speak in terms (e.g., “food

desert”) that indicate a high level of knowledge about the problems, due to existing and past intervention efforts. The kids’ café is one highly regarded example of an intervention.

Park/green space is seen as critical, so that children in the community have outdoor places to recreate. Some in the community are already actively working on increasing the number and quality of parks in the area.

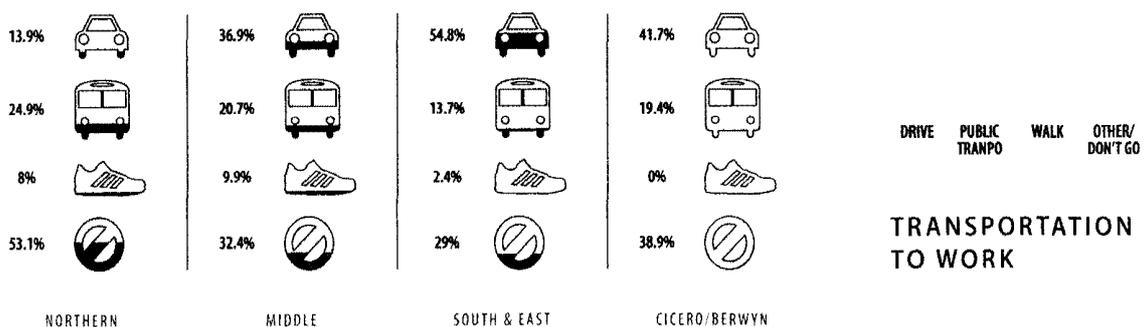
### TRANSPORTATION

Graphic 3 summarizes how people say they generally travel to various everyday destinations. Consistently significant differences exist between car ownership and primary mode of transportation between the neighborhood groups, as illustrated in Graphic 3. In particular, the Northern neighborhoods have a low level of car ownership and a high level of public transportation use. It will be important for Saint Anthony Hospital to consider these findings, especially if it intends to maintain and grow its northern constituency after its potential move.

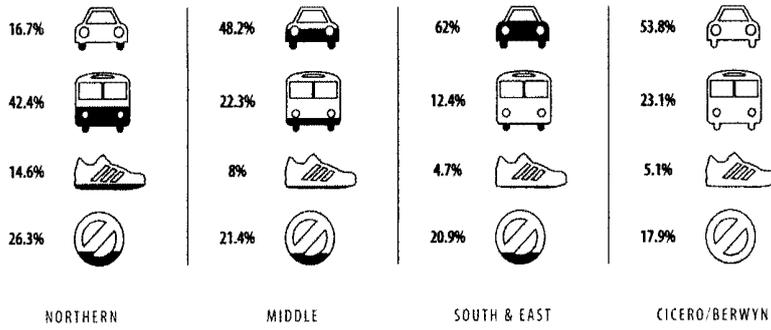
Both qualitative and quantitative data include community need for (Graphic 3) and interest in (Graphic 4) (full associated tables in Appendix) the availability of transportation for health service. Qualitative participants specifically suggested the idea of some sort of shuttle service.

## GRAPHIC 3

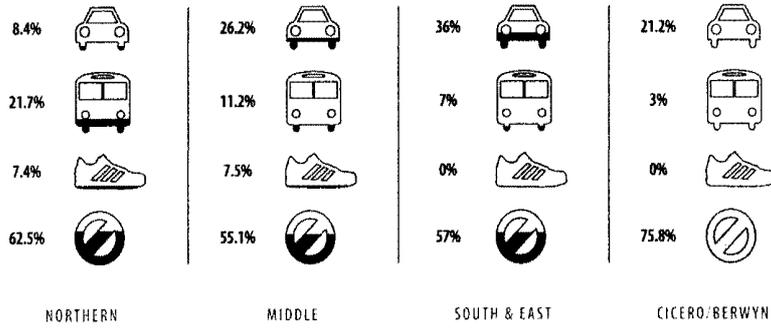
FREQUENCY AND PERCENTAGE OF TOTAL USAGE BY NEIGHBORHOOD GROUP



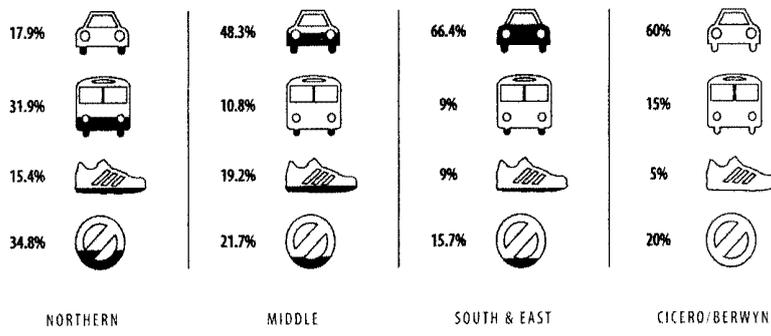
### GRAPHIC 3 CONTINUED



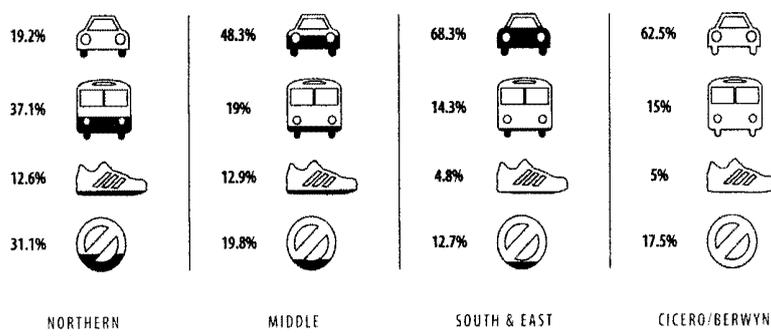
**TRANSPORTATION TO HEALTHCARE**



**TRANSPORTATION TO CHILD CARE**



**TRANSPORTATION TO GROCERY STORE**



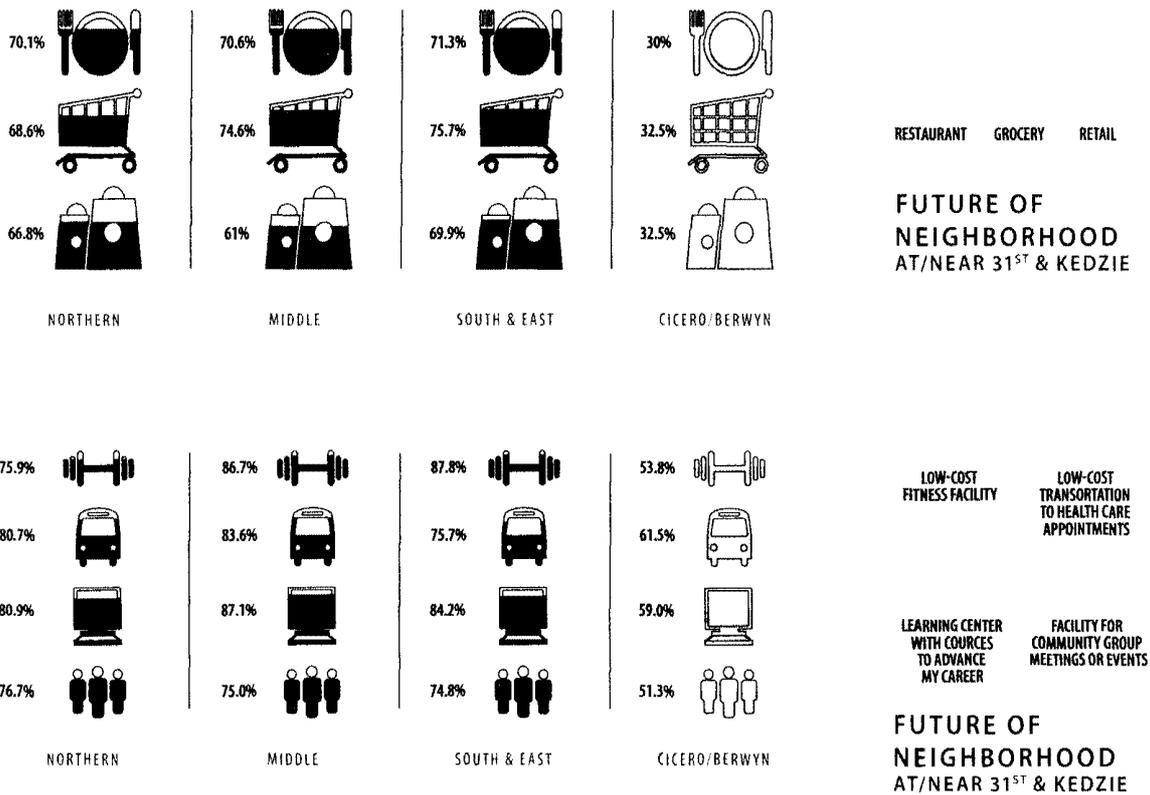
**TRANSPORTATION TO OTHER SHOPPING**

## DESIRE FOR OTHER SERVICES

The survey included questions about what services people would use if available in their area. Strong interest exists in many services as indicated by the high percentages in Graphic 4 (full associated table in Appendix). A significant difference also exists between neighborhood groups in their intention to use the following potential services: a fitness center, an arts facility with a program for children, a learning center for health information, child care and elder care, community garden, and shopping and eating establishments at 31st and Kedzie. Overall, the numbers indicate that Saint Anthony Hospital may have a greater challenge attracting suburban constituents to a potential new facility/campus vs. the surrounding city neighborhoods.

### GRAPHIC 4

FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



# FEEDBACK ON SAINT ANTHONY HOSPITAL AND ITS POTENTIAL RELOCATION

The survey specifically asked whether participants would be likely to use a hospital at the current vs. the potential new location; Graphic 5 illustrates the responses. Although a drop in likelihood of use of the new location is indicated by the Northern neighborhood group, the drop is perhaps not as severe as might be expected. Increases in anticipated use for the Middle, South and East neighborhood groups are reported. Suburban anticipated use is relatively low by comparison.

## GRAPHIC 5

FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



In addition, the qualitative work revealed that Saint Anthony Hospital’s outreach to and interaction with community leaders to date has been very effective. Overall, the participants speak highly of the hospital, and are aware of the community issues and opportunities around its potential move. Several mentioned specific interactions with Guy Medaglia and Jim Sifuentes on the topic.

Long-standing issues at the city level have resulted in competition for resources between Hispanic and African Americans. Especially if it relocates, Saint Anthony will need to address actively the African-American community so that it continues to feel engaged and supported.

Overall, based on the qualitative input, community leaders and community members are generally supportive of Saint Anthony’s potential move.

Importantly, Saint Anthony Hospital has developed a reputation among the many participants as a hospital that cares. Based on qualitative input, this is not the case for a number of Saint Anthony’s competitors.

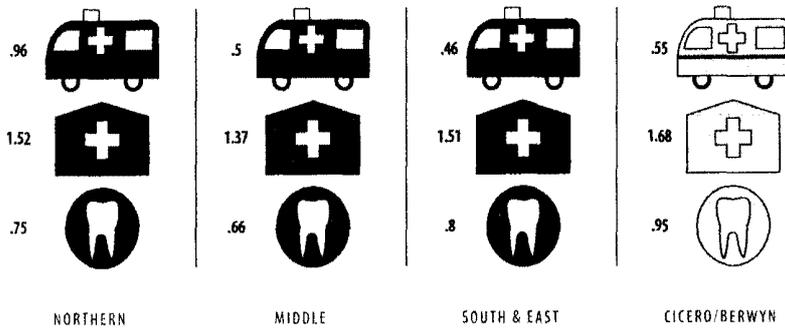
## COMMUNITY ACCESS TO AND USE OF HEALTHCARE

Graphic 6 (full associated table in Appendix) shows that access to care is comparable across the neighborhood groups, except in the case of prescription access. The Northern neighborhoods report lower access to needed prescriptions. The perceived lack of access may be an opportunity for Saint Anthony Hospital to engage with this community.

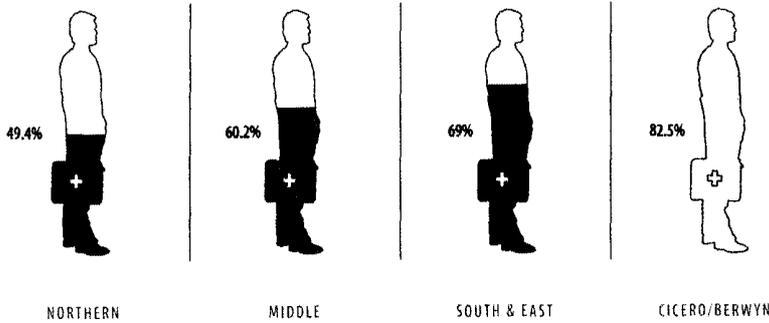
The Northern neighborhoods also report higher Emergency Room usage than the other neighborhoods. This difference appears to be associated with ethnicity.

# GRAPHIC 6

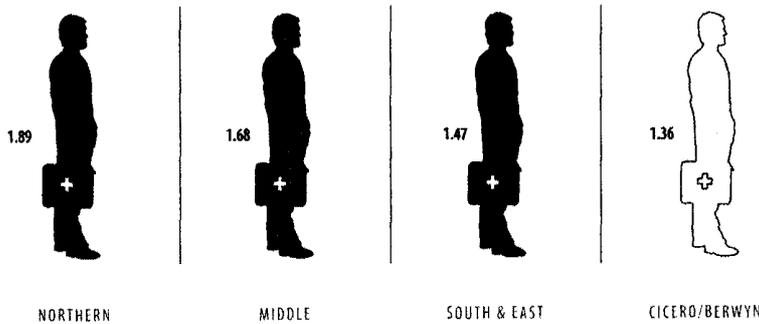
FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



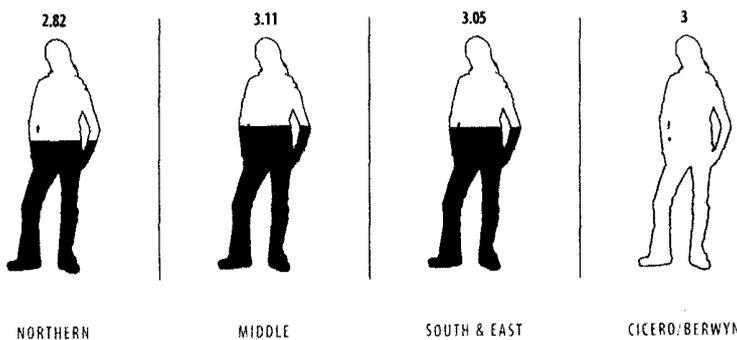
AVERAGE NUMBER OF VISITS IN LAST 6 MONTHS



HAVE A PERSONAL DOCTOR



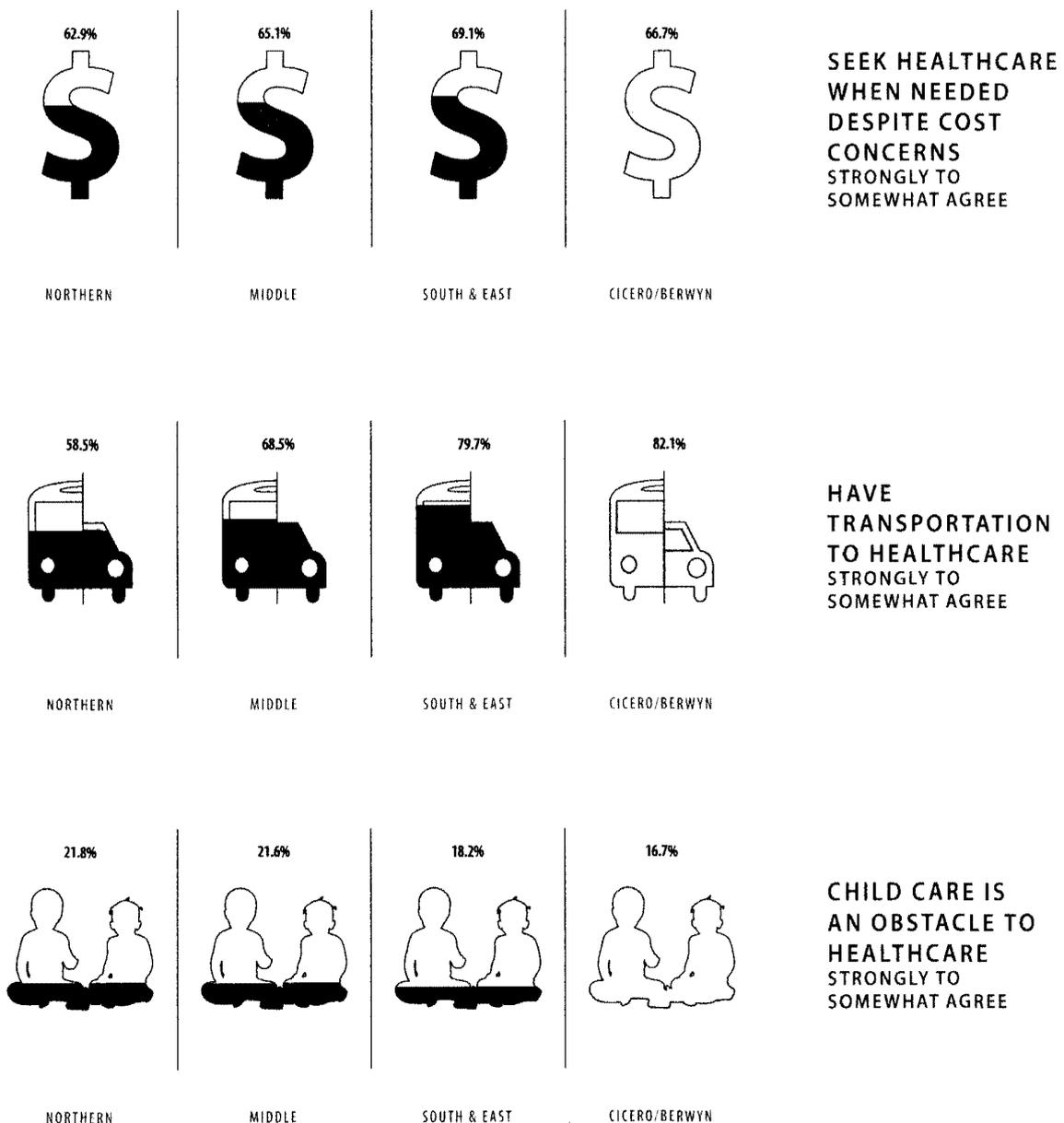
AVERAGE NUMBER OF PERSON DOCTOR VISITS IN LAST 6 MONTHS

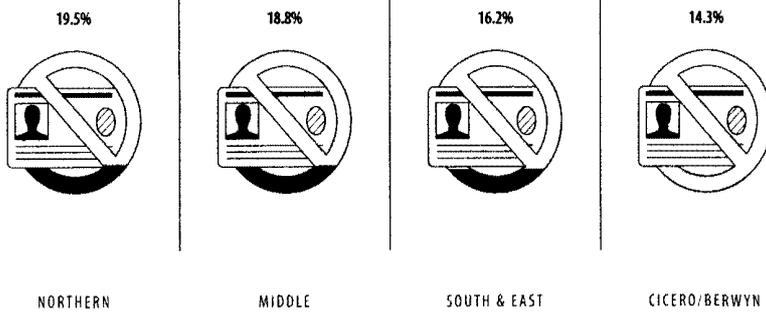


SELF-RATING OF HEALTH STATUS  
0=WORST, 10=BEST

Based on feedback from the qualitative efforts, immigration has a significant impact on access to health services in the Hispanic community. However, a low percentage of respondents to the survey identified this as a major obstacle to healthcare. Qualitative data also reveals that mental health is a "taboo" subject in the African-American community. In addition to asking about perceived obstacles to healthcare in the community, the survey also inquired about factors important when seeking healthcare or choosing a healthcare facility.

GRAPHIC 6 CONTINUED

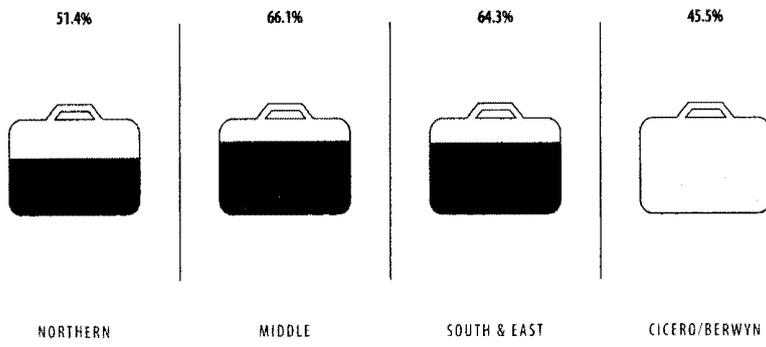




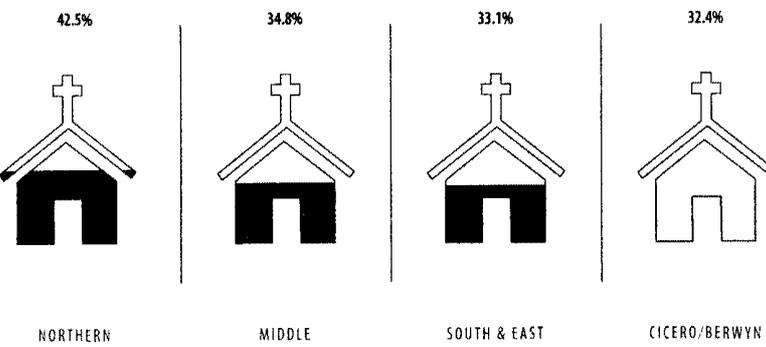
**IMMIGRATION STATUS IS OBSTACLE TO HEALTHCARE STRONGLY TO SOMEWHAT AGREE**



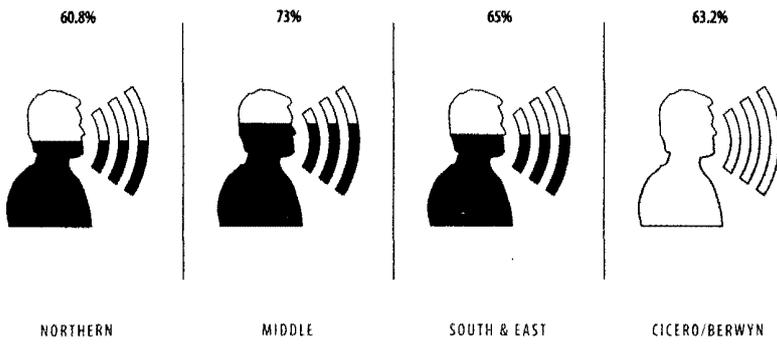
**PROXIMITY TO HOME STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY**



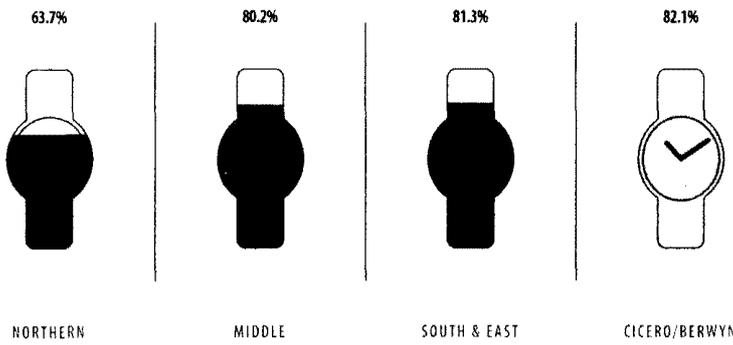
**PROXIMITY TO WORK STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY**



**RELIGIOUS AFFILIATION STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY**



**LANGUAGES SPOKEN**  
STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE



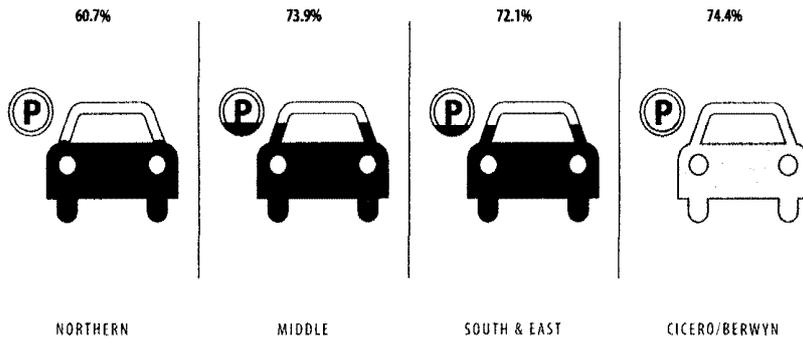
**REASONABLE WAITING TIME**  
STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY



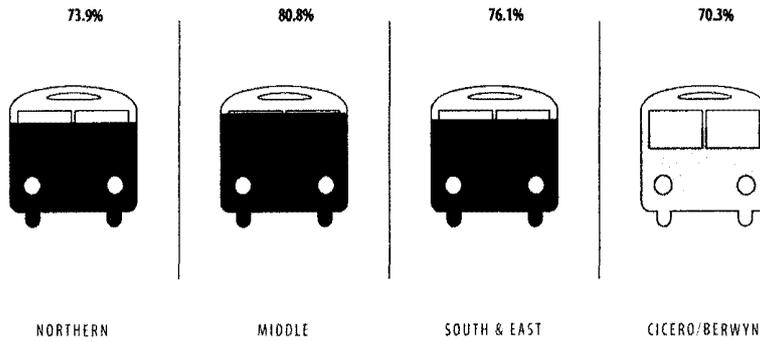
**STAFF/PROFESSIONALS KNOW ME**  
STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY



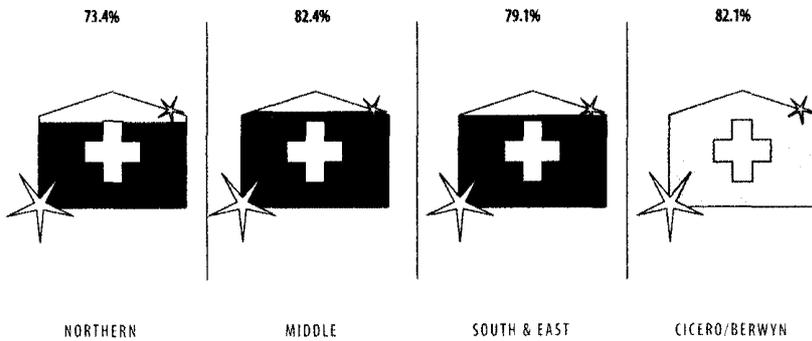
**GOOD SERVICE**  
STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY



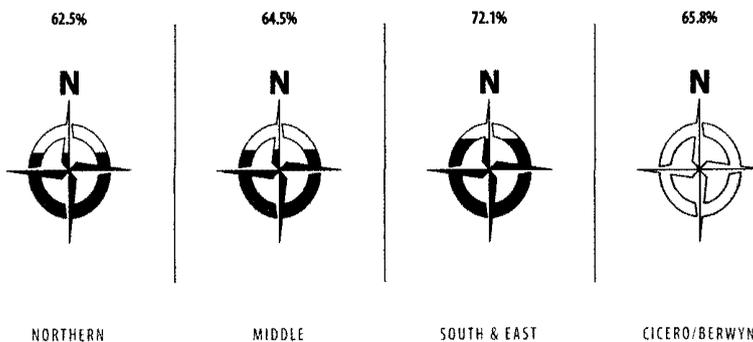
**EASE OF PARKING**  
STRONGLY TO SOMEWHAT  
AGREE THESE FACTORS ARE  
IMPORTANT WHEN CHOOSING  
HEALTHCARE FACILITY



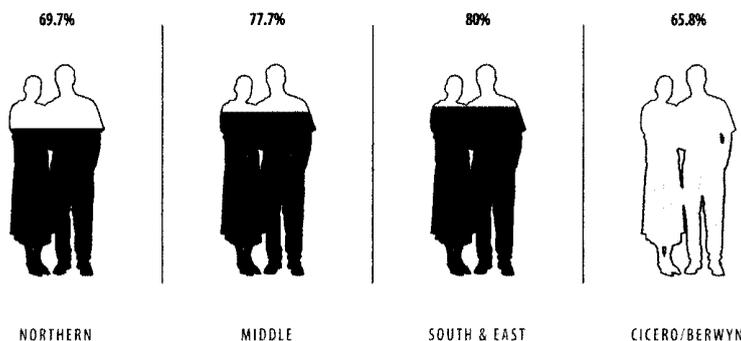
**NEARBY PUBLIC  
TRANSPORTATION**  
STRONGLY TO SOMEWHAT  
AGREE THESE FACTORS ARE  
IMPORTANT WHEN CHOOSING  
HEALTHCARE FACILITY



**PHYSICAL APPEARANCE  
OF FACILITY**  
STRONGLY TO SOMEWHAT  
AGREE THESE FACTORS ARE  
IMPORTANT WHEN CHOOSING  
HEALTHCARE FACILITY



**PROXIMITY TO  
BUSINESSES & OTHER  
SERVICES**  
STRONGLY TO SOMEWHAT  
AGREE THESE FACTORS ARE  
IMPORTANT WHEN CHOOSING  
HEALTHCARE FACILITY



**REFERRAL FROM FAMILY/FRIEND STRONGLY TO SOMEWHAT AGREE THESE FACTORS ARE IMPORTANT WHEN CHOOSING HEALTHCARE FACILITY**

## PERCEIVED QUALITY OF THE NEIGHBORHOOD ENVIRONMENT

Based on qualitative input, physical environment is important and has meaning to people. Boarded up buildings and vacant lots signify lack of hope. A new building can be a “psychic boost,” although its impact depends upon what is done with it over the longer term.

Restaurants and churches were often mentioned by interview and focus group participants as favorite neighborhood places. These places share common communities of and connections with people.

Much work in public health is drawing connections between neighborhood environments and community health. James F. Sallis, PhD, has been particularly active

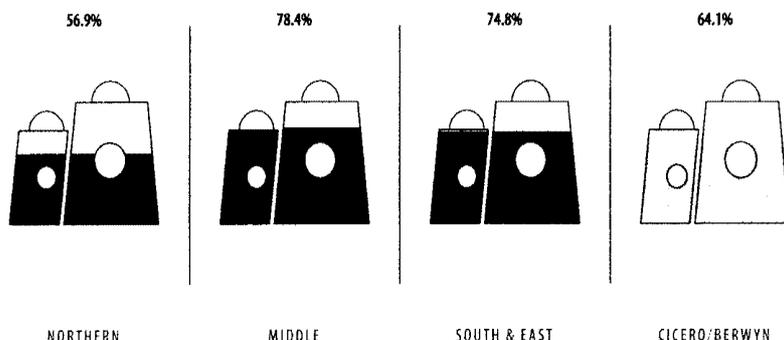
in this research area, and developed and validated the Neighborhood Environment Walkability Survey (Sallis, NEWS Survey), much of which was incorporated into the cross-sectional survey of the Saint Anthony Hospital service area.

Graphic 7 (full associated table in Appendix) includes feedback on the neighborhood environments, with particular emphasis on factors that may be associated with health of communities. These factors are associated with access, mobility, and exercise.

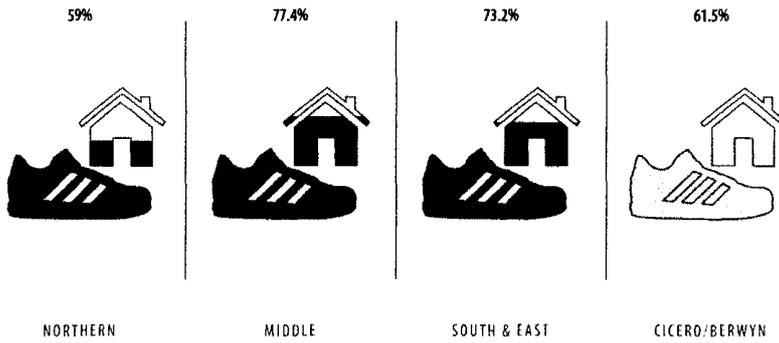
Table 8 in Appendix summarizes the scores on the Neighborhood Environment Walkability Survey. Generally, the neighborhood areas are similar, and show room for improvement, in walkability.

## GRAPHIC 7

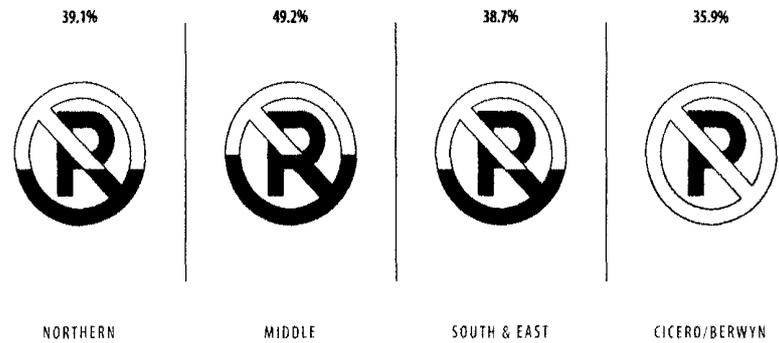
FREQUENCY AND PERCENTAGE OF TOTAL BY NEIGHBORHOOD GROUP



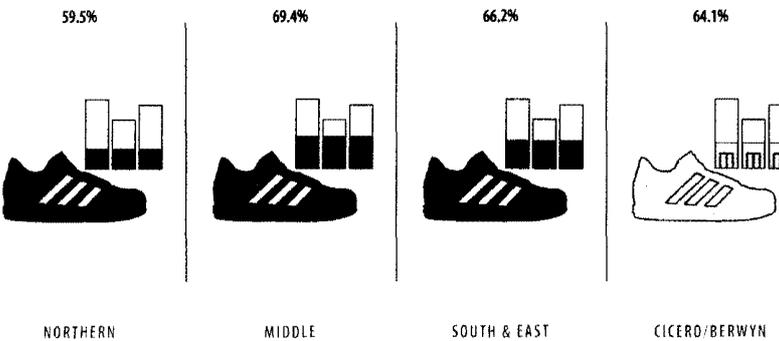
**DO MOST SHOPPING AT LOCAL STORES STRONGLY TO SOMEWHAT AGREE**



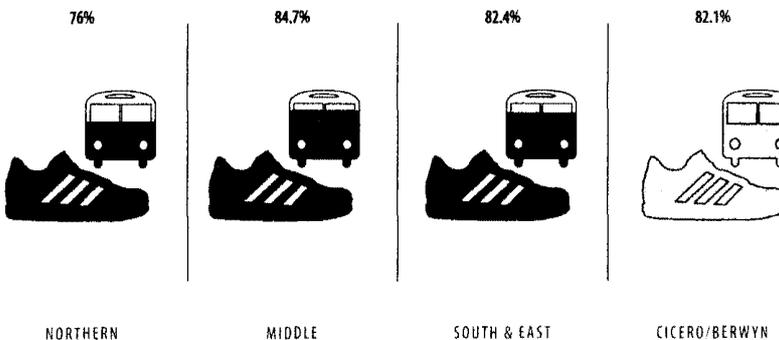
**STORES ARE WITHIN EASY WALKING DISTANCE FROM HOME**  
STRONGLY TO SOMEWHAT AGREE



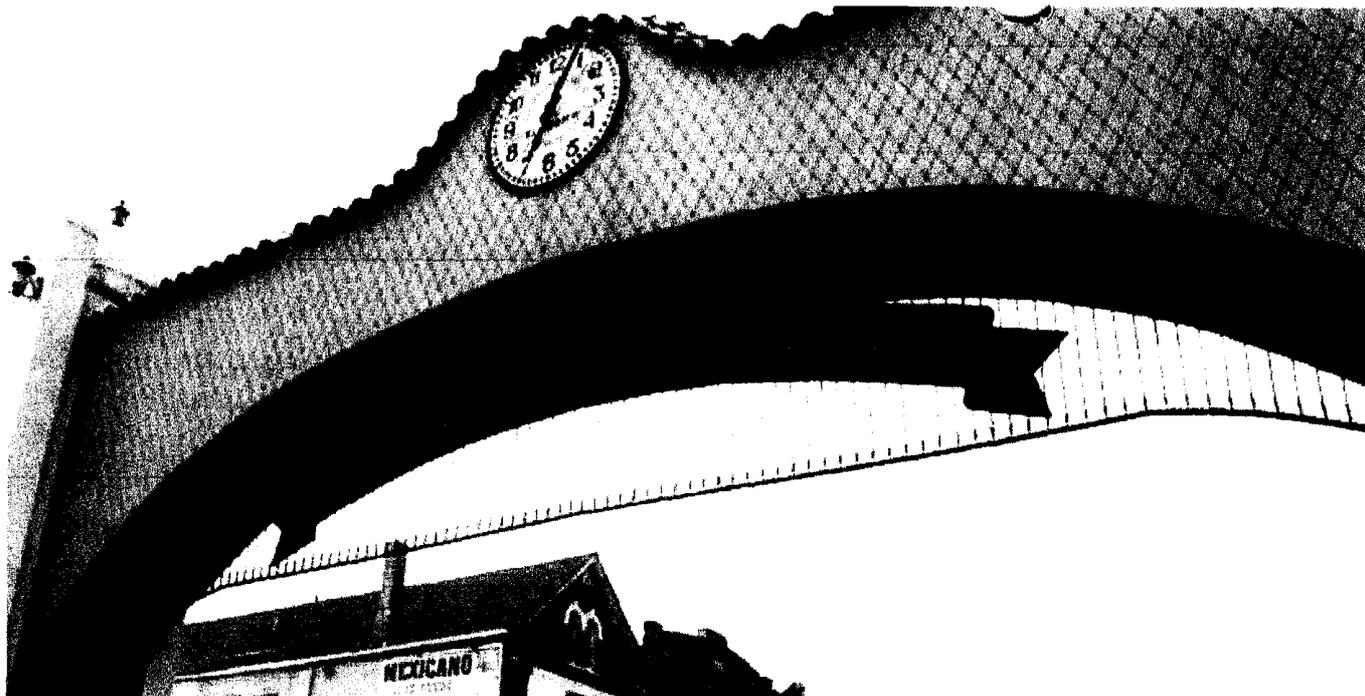
**PARKING IS DIFFICULT IN LOCAL SHOPPING AREAS**  
STRONGLY TO SOMEWHAT AGREE



**MANY PLACES TO GO WITHIN EASY WALKING DISTANCE FROM HOME**  
STRONGLY TO SOMEWHAT AGREE



**EASY TO WALK TO A TRANSIT STOP**  
STRONGLY TO SOMEWHAT AGREE



## CONCLUSIONS

Based on compiled findings from this research, “health” as people perceive it (very broadly) is a powerful mission for a community-centric hospital. A hospital does not have to be just a place for healthcare services (i.e., primarily for treating illness). It can potentially be engaged on many levels in improving and sustaining the overall well-being of a diverse community.

Saint Anthony Hospital has already done significant and effective work in improving its image and broadening its perceived mission in the surrounding community areas. It is already becoming a “community-centric hospital.” Its potential move to a new location represents an opportunity to further strengthen and develop and integrate its mission spatially, while considering the multiple existing strengths and potential issues among factions of the community. Saint Anthony should continue and build upon its active engagement with community leaders and community organizations such as parishes and churches where many people belong and congregate.

Education is one opportunity for the hospital to bridge the gaps between the Hispanic and African-American communities. In addition, programs that capitalize on intergenerational linkage could leverage existing community strengths.

Space for arts/music/culture is desirable and perceived as lacking in the area.

Given the issues of transportation consistently raised in the research, and given Saint Anthony’s potential move away from the predominantly African-American neighborhood, deploying some sort of mobile presence and/or transportation service may serve to strengthen engagement with this community. In addition, “on the street” presence would align with the predominant word-of-mouth communication networks in the area.

Saint Anthony Hospital should clearly define key metrics to measure the success over time of its potential new business/service model. This initial phase of research provides some baseline measurements for a potential future methodologically based research strategy to define and measure Saint Anthony Hospital’s impact and success over time in terms of community impact as well as profitability.

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# APPENDIX

TABLE 1

FREQUENCY AND PERCENTAGE OF TOTAL RESPONSES BY DEMOGRAPHIC									
<b>Mode of Response</b> < .001									
Mail	9.7%	40	17.5%	22	21.7%	31	67.5%	27	
Online	2.4%	10	13.5%	17	11.2%	16	10.0%	4	
In Person/Community Site	87.9%	363	69.0%	87	67.1%	96	22.5%	9	
Total	100.0%	413	100.0%	126	100.0%	143	100.0%	40	
<b>Saint Anthony Hospital Target Market</b> n/a									
Current	81.4%	336	100.0%	126	42.0%	60	100.0%	40	
Future	8.2%	34	0.0%	0	21.7%	31	0.0%	0	
Potential	0.0%	0	0.0%	0	26.6%	38	0.0%	0	
Not in Target	10.4%	43	0.0%	0	9.8%	14	0.0%	0	
Total	100.0%	413	100.0%	126	100.0%	143	100.0%	40	
<b>Target Priority (based on Saint Anthony Hospital's stated prioritization of specific neighborhood needs as its current, future, and potential markets)</b> n/a									
1st Priority	90.8%	336	100.0%	126	46.5%	60	100.0%	40	
2nd Priority	9.2%	34	0.0%	0	17.1%	22	0.0%	0	
3rd Priority	0.0%	0	0.0%	0	36.4%	47	0.0%	0	
Total	100.0%	370	100.0%	126	100.0%	129	100.0%	40	
<b>Ethnicity Groups</b> < .001									
African American/Black	89.2%	363	9.7%	12	15.6%	22	12.8%	5	
Hispanic/Latino/Mexican	5.2%	21	75.0%	93	69.5%	98	33.3%	39	
White and Other	5.7%	15	15.3%	91	14.9%	21	53.8%	21	
Total	100.0%	407	100.0%	124	100.0%	141	100.0%	39	
<b>Gender</b> < .001									
Female	35.9%	147	55.2%	69	60.6%	86	50.0%	20	
Male	64.1%	262	44.8%	56	39.4%	56	50.0%	20	
Total	100.0%	409	100.0%	125	100.0%	142	100.0%	40	
<b>Age Ranges</b> .001									
<30	11.6%	44	21.7%	26	23.4%	32	8.1%	3	
30-54	68.0%	257	58.3%	70	53.3%	73	35.1%	13	
55+	20.4%	77	20.0%	24	23.4%	32	56.8%	21	
Total	100.0%	378	100.0%	120	100.0%	137	100.0%	37	
<b>Average Age</b> .001 (adj. gender/ethnicity)									
		45.09 years		41.63 years		42.84 years		51.65 years	
<b>Marital Status</b> < .001									
Never Married	59.4%	241	25.6%	32	33.6%	47	22.5%	9	
Married	13.1%	53	39.2%	49	37.9%	53	40.0%	16	
Separated, Divorced, Widowed, or Other	27.6%	112	35.2%	44	28.6%	40	37.5%	15	
Total	100.0%	406	100.0%	125	100.0%	140	100.0%	40	

TABLE 1 CONTINUED

EMPLOYMENT AND PERSONAL CHARACTERISTICS										
<b>Employment Status</b> <.001 .205										
Employed Full or Part Time	22.5%	90	53.6%	67	50.4%	70	40.0%	16		
Unemployed or on Strike	55.5%	222	23.2%	29	22.3%	31	30.0%	12		
Retired, Homemaker or Student	22.0%	88	23.2%	29	27.3%	38	30.0%	12		
Total	100.0%	400	100.0%	125	100.0%	139	100.0%	40		
<b>Number of Jobs (if employed)</b> .258 .220										
1	78.4%	109	86.5%	64	87.2%	68	90.5%	19		
2 or more	21.6%	30	13.5%	10	12.8%	10	9.5%	2		
Total	100.0%	139	100.0%	74	100.0%	78	100.0%	21		
<b>Work Shift (if employed)</b> .255 .142										
Day shift only	63.0%	87	68.9%	51	62.2%	51	76.2%	16		
Evening Shift or Night Shift only	26.8%	37	17.6%	13	23.2%	19	23.8%	5		
2 or more Shifts	10.1%	14	13.5%	10	14.6%	12	0.0%	0		
<b>Education</b> <.001 .019										
Less than High School	35.3%	143	19.0%	23	28.1%	39	15.0%	6		
High School Diploma or GED	48.1%	195	43.0%	52	42.4%	59	40.0%	16		
Associates or Higher Degree	16.5%	67	38.0%	46	29.5%	41	45.0%	6		
Total	100.0%	405	100.0%	121	100.0%	139	100.0%	40		
<b>Ave. # Adults in Household</b> mean 2.41 mean 2.35 mean 2.37 mean 2.23 .394 .640										
<b>Ave. # Children in Household</b> mean 1.08 mean 1.44 mean 1.32 mean 1.14 .574 .241										
Have Dependent Elder(s) in Household	24.0%	95	9.8%	12	15.3%	21	20.4%	3	.008	.200
Own Home	14.1%	55	26.2%	32	48.8%	67	65.3%	21	<.001	<.001
<b>Primary Language Spoken at Home</b> <.001 .206										
English	93.3%	377	45.6%	57	46.5%	66	75.0%	30		
Spanish	4.2%	17	48.8%	61	47.9%	68	22.5%	9		
Other	2.5%	10	5.6%	7	5.6%	8	2.5%	1		
<b>Religion</b> <.001 .573										
Catholic	14.8%	59	66.1%	82	64.1%	91	52.5%	21		
Protestant, Baptist, or Other Christian	44.5%	177	16.9%	21	21.1%	30	15.0%	6		
Other Religion	20.9%	83	3.2%	4	5.6%	8	5.0%	2		
No religion	19.8%	79	13.7%	17	9.2%	13	27.5%	11		
<b># Incomes in HH</b> .123 .057										
Single Income Household	76.4%	288	69.9%	86	70.6%	96	74.4%	29		
Multiple Income Household	23.6%	89	30.1%	37	29.4%	40	25.6%	10		
<b>Total HH Income</b> <.001 .301										
\$15K or less	69.0%	265	26.3%	31	33.1%	44	37.5%	15		
More than \$15K	31.0%	119	73.7%	87	66.9%	89	62.5%	25		
Total	100.0%	384	100.0%	118	100.0%	133	100.0%	40		

TABLE 2

[REDACTED]										
Have Home Internet Access	38.7%	145	71.0%	88	68.1%	94	82.1%	32	<.001	<.001
Have e-Mail Address	37.7%	152	70.6%	89	66.9%	93	67.5%	27	<.001	<.001
Use Social Media	32.8%	130	56.8%	71	48.6%	67	47.5%	19	.001	.040
Frequency of Social Media Use if Applicable									.087	.095
Daily	46.6%	69	62.5%	45	43.2%	32	40.0%	8		
Weekly or less often	53.4%	79	37.5%	27	56.8%	42	60.0%	12		
COMMUNITY INVOLVEMENT										
Strongly to Somewhat Agree:										
Actively Involved in Community	52.4%	205	41.5%	51	41.8%	59	28.2%	11	.004	.130
Member of Church or Religious Organization	57.3%	224	48.8%	60	63.0%	87	48.7%	19	.068	.126
Regular (2 or more times per month) Churchgoer	55.4%	216	59.0%	72	69.6%	96	51.3%	20	.003	.051

TABLE 3

FRONTIER COUNTY RESIDENTS' PERCEPTIONS OF TRANSPORTATION MODES AND FREQUENCY OF WALKING										
Activity	Mode	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Significance
<b>Own Car/Vehicle</b>										
Transportation to Work										
Drive myself		22.4%	30	24.9%	32	16.4%	101	6.9%	26	<.001
Take public transportation										<.001
Walk										<.001
Other or do not go there										<.001
<b>Transportation to School</b>										
Drive myself		13.9%	47	36.9%	41	54.8%	68	41.7%	15	
Take public transportation		24.9%	84	20.7%	23	13.7%	17	19.4%	7	
Walk		8.0%	27	9.9%	11	2.4%	3	0.0%	0	
Other or do not go there		53.1%	179	32.4%	36	29.0%	36	38.9%	14	
<b>Health Care</b>										
Drive myself		7.9%	24	23.1%	24	33.3%	39	15.6%	5	
Take public transportation		24.2%	73	16.3%	17	14.5%	17	12.5%	4	
Walk		10.3%	31	10.6%	11	1.7%	2	0.0%	0	
Other or do not go there		57.6%	174	50.0%	52	50.4%	59	71.9%	23	
<b>Grocery Shopping</b>										
Drive myself		16.7%	57	48.2%	54	62.0%	80	53.8%	21	<.001
Take public transportation		42.4%	145	22.3%	25	12.4%	16	23.1%	9	.004
Walk		14.6%	50	8.0%	9	4.7%	6	5.1%	2	
Other or do not go there		26.3%	90	21.4%	24	20.9%	27	17.9%	7	
<b>Other Shopping</b>										
Drive myself		17.9%	63	48.3%	58	66.4%	89	60.0%	24	<.001
Take public transportation		31.9%	112	10.8%	13	9.0%	12	15.0%	6	.001
Walk		15.4%	54	19.2%	23	9.0%	12	5.0%	2	
Other or do not go there		34.8%	122	21.7%	26	15.7%	21	20.0%	8	
<b>Child Care</b>										
Drive myself		19.2%	61	48.3%	56	68.3%	86	62.5%	25	<.001
Take public transportation		37.1%	118	19.0%	22	14.3%	18	15.0%	6	<.001
Walk		12.6%	40	12.9%	15	4.8%	6	5.0%	2	
Other or do not go there		31.1%	99	19.8%	23	12.7%	16	17.5%	7	
<b>Entertainment</b>										
Drive myself		8.4%	25	26.2%	28	36.0%	41	21.2%	7	<.001
Take public transportation		21.7%	65	11.2%	12	7.0%	8	3.0%	1	<.001
Walk		7.4%	22	7.5%	8	0.0%	0	0.0%	0	
Other or do not go there		62.5%	187	55.1%	59	57.0%	65	75.8%	25	
<b>Community Activities/Church</b>										
Drive myself		17.6%	57	45.6%	52	61.1%	77	51.3%	20	<.001
Take public transportation		34.1%	110	16.7%	19	14.3%	18	12.8%	5	<.001
Walk		9.9%	32	7.9%	9	0.8%	1	2.6%	1	
Other or do not go there		38.4%	124	29.8%	34	23.8%	30	33.3%	13	
<b>Walk Frequency Every Day or Nearly Every Day</b>										
Walk Frequency Every Day or Nearly Every Day		66.1%	263	53.2%	67	34.8%	49	37.3%	15	<.001
<b>Usual Length of Walk is 30 Minutes or More</b>										
Usual Length of Walk is 30 Minutes or More		40.2%	159	28.6%	50	23.0%	32	28.0%	11	.002

TABLE 4

FREQUENCY AND PERCENTAGE OF TOTAL SAMPLE (N=1,000) WHO...

	%	N	%	N	%	N	%	N		
<b>ENVISIONING FUTURE OF NEIGHBORHOOD</b>										
Definitely of Likely Would Use if Available in or Near Neighborhood...										
Park with playground and trails	78.9%	310	84.2%	101	89.1%	122	81.1%	30	.086	.599
Low-cost fitness facility	75.9%	296	86.7%	104	87.8%	122	53.8%	21	<.001	.026
Sports facility with after-school kids' program	68.4%	270	80.2%	97	74.8%	101	40.5%	15	.003	.118
Arts facility with kids' program	69.5%	273	80.5%	99	70.5%	98	47.4%	18	.024	.032
Health care clinic within walking distance	82.9%	329	89.4%	110	81.3%	113	67.5%	27	.147	.142
Low-cost transportation to health care appointments	80.7%	318	83.6%	102	75.7%	106	61.5%	24	.045	.254
Learning center with courses/information on health topics	82.1%	325	89.4%	110	79.9%	111	57.5%	23	.001	.032
Learning center with courses to advance my career	80.9%	322	87.1%	108	84.2%	117	59.0%	23	.047	.358
Library with health and community information	82.7%	329	89.5%	111	89.3%	125	76.3%	29	.217	.409
Place where people help me navigate the healthcare system	78.4%	313	81.3%	100	83.6%	117	56.4%	22	.013	.101
Facility for community group meetings or events	76.7%	303	75.0%	93	74.8%	104	51.3%	20	.030	.155
Childcare center	62.0%	240	64.8%	79	59.3%	83	25.6%	10	.003	.019
Daycare for elders	62.6%	243	47.1%	56	44.9%	62	35.0%	14	<.001	.019
Assisted living facility	63.2%	249	49.2%	59	47.8%	66	36.8%	14	.001	.098
Community garden	70.6%	283	77.0%	94	67.1%	94	52.5%	21	.073	.037
Grocery at 31st and Kedzie	70.1%	274	70.6%	84	71.3%	97	30.0%	12	<.001	.002
New retail area near 31st and Kedzie	68.6%	267	74.6%	88	75.7%	103	32.5%	13	<.001	.003
Restaurant at 31st and Kedzie	66.8%	260	61.0%	72	69.9%	95	32.5%	13	.001	.002

TABLE 5

**FREQUENCY AND PERCENTAGE OF PATIENTS WHO WOULD USE A NEW HOSPITAL AND CLINIC NEAR 19TH AND MARSHALL BLVD. AND 31ST AND KEDZIE**

	%	N	%	N	%	N	%	N		
Definitely or Likely Would Use if Available in or Near Neighborhood...										
New hospital and clinic near 19th and Marshall Blvd.	73.4%	287	60.8%	73	57.9%	77	25.6%	10	<.001	<.001
New hospital and clinic near 31st and Kedzie	67.8%	263	67.5%	81	75.0%	102	35.0%	14	.001	.002

TABLE 6

FREQUENCY AND PERCENTAGE OF TOTAL SAMPLE WITH HEALTH CARE NEEDS										
	%	N	%	N	%	N	%	N		
<b>HEALTH CARE ACCESS AND USE</b>										
<b>Always Have Access to...</b>										
Health care needed right away	29.1%	118	20.8%	26	23.8%	34	37.5%	15	.348	.528
Appointment at doctor's office or clinic	24.8%	99	24.2%	30	25.7%	36	35.0%	14	.818	.753
A health care interpreter when needed	5.5%	22	7.3%	9	5.0%	7	2.5%	1	.344	.850
After hours care	13.2%	53	6.5%	8	6.4%	9	10.0%	4	.142	.371
Behavioral care/counseling	10.4%	42	6.6%	8	7.2%	10	10.0%	4	.036	.483
Specialist care	15.9%	64	18.2%	22	15.0%	21	27.5%	11	.668	.900
Prescriptions	27.5%	111	36.3%	45	37.9%	53	41.0%	16	.001	.005
Preventive care	25.2%	102	21.0%	26	24.5%	34	27.5%	11	.132	.704
<b>Average # Visits in Last 6 Months... (does not include "outliers")</b>										
Emergency Room		mean 0.96		mean 0.50		mean 0.46		mean .55	<.001	.061
Doctor's Office or Medical Clinic		mean 1.52		mean 1.37		mean 1.51		mean 1.68		.646
Dental Clinic		mean 0.75		mean 0.66		mean 0.80		mean 0.95	.035	.283
<b>Have a Personal Doctor</b>										
	49.4%	192	60.2%	74	69.0%	98	82.5%	33	<.001	.020
Average # Personal Doctor Visits in Last 6 Months		mean 1.89		mean 1.68		mean 1.47		mean 1.36	.028	.292
Overall Health Care Rating (0=worst, 10=best)		mean 5.50		mean 6.54		mean 6.70		mean 8.18	.001	.482
Self-Rating of Health Status (1=poor, 5=excellent)		mean 2.82		mean 3.11		mean 3.05		mean 3.00	.045	.171
<b>All Members of Household Have Health Insurance</b>										
	31.5%	125	39.7%	48	45.4%	65	52.5%	21	<.001	.254
<b>Strongly to Somewhat Agree</b>										
Seek Health Care When Needed Despite Cost Concerns	62.9%	254	65.1%	82	69.1%	96	66.7%	26	.784	.578
Have Transportation to Health Care	58.5%	231	68.5%	85	79.7%	110	82.1%	32	<.001	.064
Child Care is Obstacle to Health Care	21.8%	82	21.6%	25	18.2%	24	16.7%	6	.464	.683
Immigration Status is Obstacle to Health Care	19.5%	74	18.8%	22	16.2%	22	14.3%	5	.660	.161
<b>Strongly to Somewhat Agree These Factors are Important When Choosing a Health Care Facility...</b>										
Proximity to Home	63.4%	253	80.8%	101	79.9%	111	87.2%	34	<.001	.365
Proximity to Work	51.4%	181	66.1%	74	64.3%	81	45.5%	15	.016	.303
Religious Affiliation	42.5%	151	34.8%	40	33.1%	44	32.4%	12	.178	.672
Languages Spoken	60.8%	231	73.0%	89	65.0%	89	63.2%	24	.238	.506
Reasonable Waiting Time	63.7%	244	80.2%	97	81.3%	113	82.1%	32	.001	.751
Staff/Professionals Know Me	66.6%	259	72.4%	89	77.0%	107	82.1%	32	.144	.673
Good Service	76.6%	298	88.4%	107	91.4%	127	94.9%	37	.001	.303
Ease of Parking	60.7%	224	73.9%	88	72.1%	98	74.4%	29	.041	.458

TABLE 6 CONTINUED

FREQUENCY AND PERCENTAGE OF PATIENTS WHOSE RATING WAS 10 (BEST)										
Nearby Public Transportation	73.9%	278	80.8%	97	76.1%	105	70.3%	26	658	491
Physical Appearance of Facility	73.4%	276	82.4%	98	79.1%	110	82.1%	32	360	577
Proximity to Businesses and Other Services	62.5%	242	64.5%	78	72.1%	101	65.8%	25	342	459
Referral from Family/Friend	69.7%	269	77.7%	94	80.0%	112	65.8%	25	196	541
Saint Anthony Hospital or Clinic Patient (Past or Current)	31.3%	126	43.3%	54	42.6%	60	20.5%	8	306	291
Rating of Saint Anthony Hospital Care (0=Worst, 10=Best)		mean 5.70		mean 6.90		mean 7.41		mean 5.18	397	540
Hospitals Used in Last 12 Months										
Saint Anthony Hospital ONLY	n/a	16	n/a	14	n/a	10	n/a	0	n/a	n/a
Mt. Sinai Hospital ONLY	n/a	75	n/a	11	n/a	9	n/a	0	n/a	n/a
Saint Anthony and Mt. Sinai BOTH (no other hospitals)	n/a	9	n/a	7	n/a	1	n/a	0	n/a	n/a
Counts by hospital including multi-hospital use:										
Children's Memorial Hospital	n/a	16	n/a	9	n/a	7	n/a	0	n/a	n/a
Hartgrove Hospital	n/a	2	n/a	0	n/a	0	n/a	0	n/a	n/a
Holy Cross Hospital	n/a	7	n/a	1	n/a	14	n/a	0	n/a	n/a
John H. Stroger Jr. (Cook County) Hospital	n/a	137	n/a	18	n/a	17	n/a	4	n/a	n/a
Loretto Hospital	n/a	20	n/a	0	n/a	1	n/a	0	n/a	n/a
MacNeal Hospital	n/a	7	n/a	9	n/a	10	n/a	14	n/a	n/a
Mercy Hospital and Medical Center	n/a	11	n/a	7	n/a	16	n/a	0	n/a	n/a
Mt. Sinai Hospital	n/a	138	n/a	24	n/a	18	n/a	4	n/a	n/a
Northwestern Memorial Hospital	n/a	10	n/a	8	n/a	6	n/a	2	n/a	n/a
Norwegian American Hospital	n/a	5	n/a	3	n/a	3	n/a	0	n/a	n/a
Rush University Medical Center	n/a	27	n/a	21	n/a	14	n/a	3	n/a	n/a
Sacred Heart Hospital	n/a	3	n/a	1	n/a	1	n/a	0	n/a	n/a
Saint Anthony Hospital	n/a	47	n/a	32	n/a	22	n/a	3	n/a	n/a
St. Bernard Hospital	n/a	2	n/a	0	n/a	0	n/a	0	n/a	n/a
St. Mary and Elizabeth Medical Center	n/a	9	n/a	3	n/a	3	n/a	1	n/a	n/a
University of Chicago Medical Center	n/a	14	n/a	9	n/a	9	n/a	3	n/a	n/a
None	n/a	80	n/a	30	n/a	42	n/a	13	n/a	n/a
Saint Anthony Hospital or Clinic Patient (Past or Current)	31.3%	126	43.3%	54	42.6%	60	20.5%	8	306	291

TABLE 7

TRAVELING AND PERCENTAGE OF TOTAL SAMPLE WHO... WOULD...

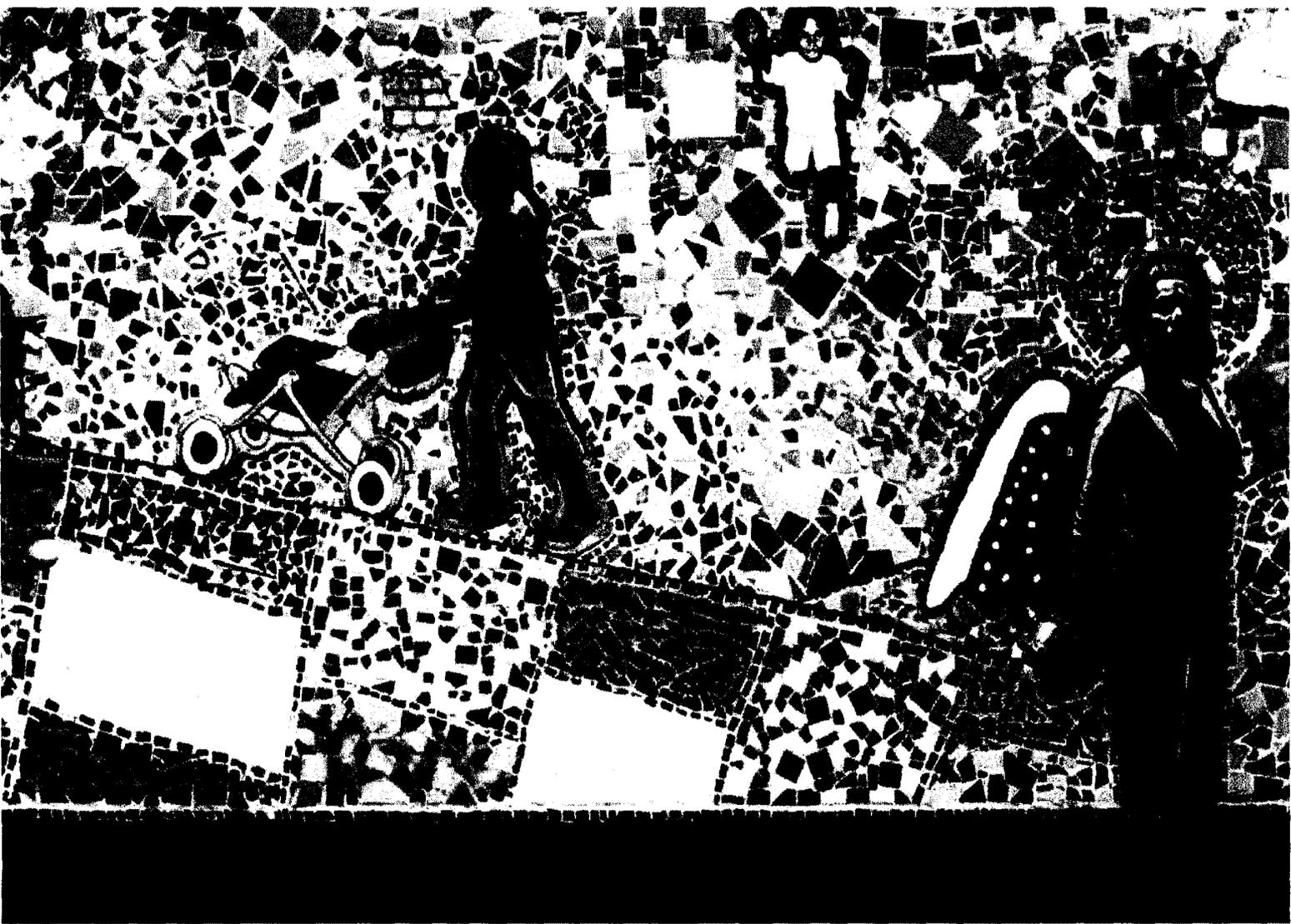
	%	N	%	N	%	N	%	N		
<b>Strongly to Somewhat Agree:</b>										
Do Most Shopping at Local Stores	56.9%	230	78.4%	98	74.8%	104	64.1%	25	<.001	.152
Stores are within Easy Walking Distance of Home	59.0%	240	77.4%	96	73.2%	104	61.5%	24	.003	.845
Parking is Difficult in Local Shopping Areas	39.1%	155	49.2%	60	38.7%	53	35.9%	14	.168	.384
Many Places to Go within Easy Walking Distance of Home	59.5%	239	69.4%	86	66.2%	94	64.1%	25	.375	.566
Easy Walk to a Transit Stop	76.0%	308	84.7%	105	82.4%	117	82.1%	32	.374	.461
<b>Ave. Walking Distance in Minutes from Home to Nearest...</b>										
Convenience/Small Grocery Store		mean 10.02		mean 15.58		mean 17.12		mean 16.74	.089	.082
Supermarket		mean 15.58		mean 15.11		mean 13.13		mean 16.41	.235	.480
Hardware Store		mean 17.12		mean 14.32		mean 15.64		mean 15.84	.411	.996
Fruit/Vegetable Market		mean 16.74		mean 13.51		mean 12.71		mean 14.00	.001	.724
Laundry/Dry Cleaners		mean 13.65		mean 10.37		mean 12.22		mean 11.51	.156	.626
Clothing Store		mean 17.84		mean 19.86		mean 19.70		mean 20.44	.315	.797
Post Office		mean 17.49		mean 17.35		mean 18.06		mean 20.29	.367	.043
Library		mean 17.22		mean 16.97		mean 15.04		mean 19.56	.114	.032
Elementary School		mean 10.40		mean 9.17		mean 9.12		mean 11.09	.622	.571
Other School		mean 14.80		mean 15.12		mean 14.12		mean 15.20	.641	.349
Book Store		mean 18.69		mean 18.49		mean 18.74		mean 22.46	.636	.977
Fast Food Restaurant		mean 11.34		mean 13.72		mean 10.41		mean 12.15	.058	.116
Coffee Shop		mean 14.74		mean 15.47		mean 12.27		mean 15.62	.022	.060
Bank/Credit Union		mean 17.11		mean 14.43		mean 13.04		mean 14.70	.007	.229
Non-Fast Food Restaurant		mean 15.56		mean 15.79		mean 13.62		mean 14.23	.343	.603
Electronic Store		mean 19.55		mean 20.42		mean 19.73		mean 20.63	.576	.612
Pharmacy/Drug Store		mean 15.96		mean 15.03		mean 13.03		mean 16.16	.174	.155
Salon/Barber Shop		mean 12.54		mean 10.97		mean 10.88		mean 13.26	.379	.903
Your Job or School		mean 18.06		mean 22.72		mean 22.05		mean 23.76	.012	.611
Bus or Train Stop		mean 7.51		mean 8.91		mean 7.90		mean 8.02	.664	.804
Park		mean 10.34		mean 12.09		mean 10.85		mean 10.46	.275	.465

TABLE 7 CONTINUED

FRESHMAN AND SENIOR STUDENTS' PERCEPTIONS OF NEIGHBORHOOD QUALITY										
		mean		mean		mean		mean		
Recreation Center/Field House		12.52		15.38		14.50		15.58	.053	.240
Gym/Fitness Facility		14.65		17.57		17.61		19.17	<.001	.400
Health Care Clinic		15.00		15.80		18.82		19.80	.002	.009
Hospital		18.11		22.43		23.59		23.55	<.001	.025
Strongly or Somewhat Agree that in My Neighborhood...										
Distance between intersections usually short	53.7%	218	73.6%	92	70.9%	100	74.4%	29	.001	.390
There are many alternative routes for getting from place to place	67.0%	272	84.8%	106	81.0%	115	74.4%	29	.003	.314
Major barriers make it hard to get from place to place	38.4%	155	30.4%	38	26.1%	37	20.5%	8	.022	.208
Sidewalks on most streets	74.0%	302	92.0%	115	89.9%	125	94.9%	37	<.001	.006
Sidewalks are well-maintained	49.4%	200	56.8%	71	61.3%	87	71.8%	28	.005	.012
Bicycle and pedestrian trails are nearby	40.0%	163	47.6%	59	48.6%	69	35.9%	14	.100	.104
Sidewalks are separated from traffic by parked cars	64.8%	263	74.4%	93	64.8%	92	84.6%	33	.062	.155
Grass/dirt strip separates streets from sidewalks	57.7%	235	59.2%	74	63.1%	89	84.6%	33	.066	.130
Trees along the streets	65.6%	256	71.8%	89	85.8%	121	94.4%	34	<.001	<.001
Interesting things to look at while walking	47.6%	186	50.4%	63	57.7%	82	56.8%	21	.283	.190
Neighborhood generally well-maintained	35.2%	137	37.1%	46	48.2%	68	73.0%	27	<.001	.001
Many attractive natural sights such as landscaping, views	35.8%	139	31.5%	39	45.8%	65	43.2%	16	.194	.202
Attractive buildings/homes	49.4%	194	39.2%	49	53.2%	75	56.8%	21	.078	.084
Traffic makes walking difficult or unpleasant	42.1%	163	52.0%	65	44.7%	63	62.2%	23	.117	.372
Speed of traffic on nearby streets usually slow	53.4%	207	68.0%	85	67.6%	96	73.0%	27	.014	.366
Most drivers exceed posted speed limits	59.2%	231	64.8%	81	65.5%	93	83.8%	31	.023	.029
Crosswalks and pedestrian signals to help walkers cross busy streets	62.6%	246	68.0%	85	70.4%	100	73.0%	27	.397	.322
There are a lot of exhaust fumes when walking	54.5%	213	66.4%	83	55.6%	79	62.2%	23	.292	.234
Streets are well lit at night	50.4%	199	54.0%	67	70.2%	99	79.5%	31	<.001	<.001
Walkers/bikers on streets are easily seen by people in homes	54.4%	212	50.0%	62	61.7%	87	71.8%	28	.214	.041
I see and speak to people when walking	73.6%	287	64.5%	80	66.9%	95	69.2%	27	.108	.984
The crime rate is high	67.6%	263	69.4%	86	53.6%	75	51.3%	20	.001	.002
Crime rate makes it unsafe to walk during the day	47.3%	185	50.8%	62	45.4%	64	38.5%	15	.709	.655
Crime rate makes it unsafe to walk during at night	64.0%	252	71.8%	89	59.6%	84	51.3%	20	.140	.112

TABLE 8

	%	N	%	N	%	N	%	N		
NEIGHBORHOOD ENVIRONMENT WALKABILITY SCORES										
NEWS Subscale B: Land use mix – diversity (range 1-5; higher score denotes higher walkability)		mean 3.34		mean 3.24		mean 3.61		mean 3.52	.138	.228
NEWS Subscale C: Land use mix – access (range 1-4; higher score denotes higher walkability)		mean 2.74		mean 3.23		mean 3.11		mean 2.90	.003	.378
NEWS Subscale D: Street connectivity (range 1-4; higher score denotes higher walkability)		mean 2.67		mean 3.10		mean 2.98		mean 3.04	.007	.425
NEWS Subscale E: Infrastructure/safety for walking (range 1-4; higher score denotes higher walkability)		mean 2.63		mean 2.77		mean 2.91		mean 3.07	.006	.021
NEWS Subscale F: Aesthetics (range 1-4; higher score denotes higher walkability)		mean 2.34		mean 2.39		mean 2.67		mean 2.84	.515	.552
NEWS Subscale G: Traffic hazards (range 1-4; higher score denotes lower walkability)		mean 2.51		mean 2.74		mean 2.67		mean 2.87	.042	.062
NEWS Subscale H: Crime (range 1-4; higher score denotes lower walkability)		mean 2.75		mean 2.84		mean 2.60		mean 2.38	.095	.052
NEWS Subscale I: Lack of parking (range 1-4; higher score denotes higher walkability)		mean 2.19		mean 2.32		mean 2.17		mean 2.18	.211	.229
NEWS Subscale L: Physical barriers (range 1-4; higher score denotes lower walkability)		mean 2.17		mean 1.97		mean 1.84		mean 1.74	.038	.474
NEWS Subscale N: Social interaction while walking (range 1-4; higher score denotes higher walkability)		mean 2.98		mean 2.69		mean 2.75		mean 2.97	.013	.330



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*Appendix D – Executive Summary – Campus Model: Financial Summary Template prepared by Shannon Capital Management, LLC, January 4, 2012*

**EXECUTIVE SUMMARY**  
**FOR**  
**SAINT ANTHONY HOSPITAL**  
*Campus Model – Financial Summary Template*

**January 4, 2012**



**Saint Anthony**  
**Hospital**

*Caring for the community*

**S****HANNON**  

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**CAPITAL MANAGEMENT, LLC**

## **PREFACE**

This Executive Summary for Saint Anthony Hospital pertaining to the Campus Model – Financial Summary Template (“Executive Summary Campus”) has been prepared by Shannon Capital Management, LLC (“SCM”) with the management assistance of Saint Anthony Hospital (the “Company”). The material contained herein is based on information obtained from the Company’s management. SCM has sought to use reasonable care in compiling this Report on behalf of Saint Anthony’s management; however, it is not SCM’s policy to make representations or warranties with respect to the material contained in the Report, its accuracy or completeness.

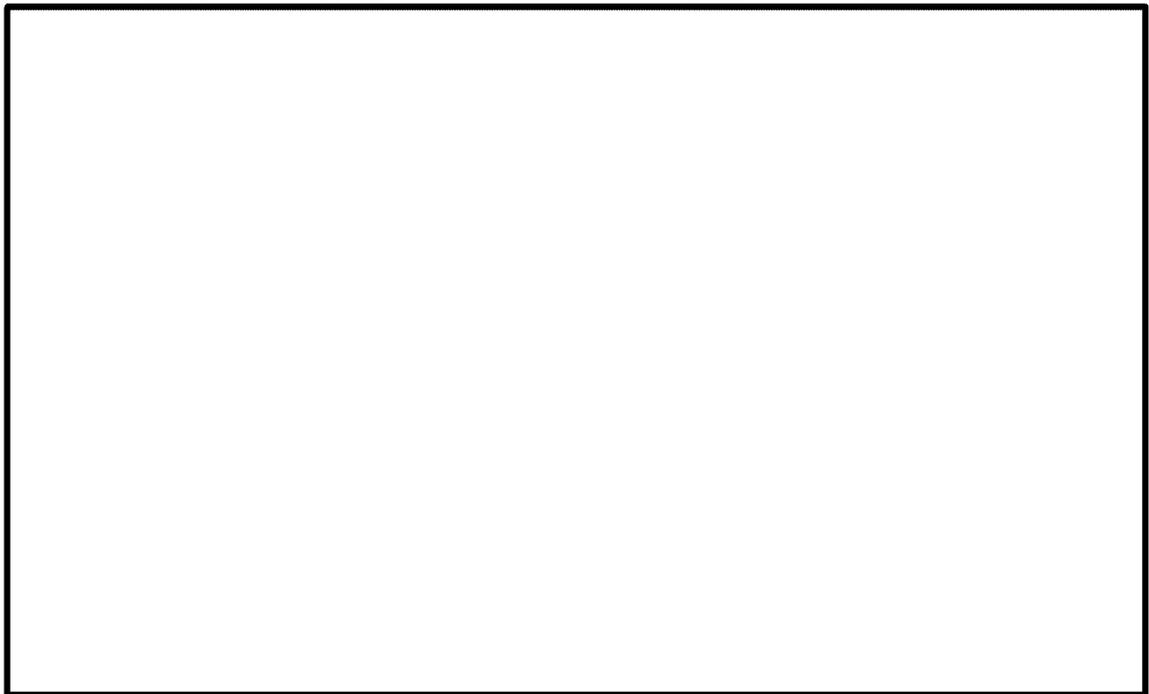
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For further information, please contact Michael P. Keller at Shannon Capital Management, LLC, 511 Union Street, Suite 2700, Nashville, TN 37219 (Phone: 615-373-1714).

**SCOPE OF ENGAGEMENT:**

Shannon Capital Management, LLC (“SCM”) has been engaged by Saint Anthony Hospital to assist in the development of a summary financial template for the contemplated “Campus” Development. The current vision for the campus is to include 11 acres of land at 31<sup>st</sup> & Kedzie Avenue, Chicago, Illinois.

(b)(4) **SCM’S APPROACH:**



## **SUMMARY & OVERVIEW:**

Shannon Capital Management, LLC (“Shannon” or “SCM”) has been engaged by Saint Anthony Hospital (“SAH”) to assist in developing a summary financial model for its Campus initiative (“Campus”). This Campus Development, if implemented effectively, could serve as a model for inner-city development and public/private partnerships throughout the United States. It should be noted that SCM only focused on creating the summary model. A thorough review of structure by regulatory, legal, and tax professionals is required as well.

Specifically, Saint Anthony Hospital is contemplating the development and building of a new community campus on land located at 31<sup>st</sup> & Kedzie, Chicago, Illinois. The 902,493 square foot development will consist of the following:

- *A 309,743 square foot medical facility.* This new hospital facility will replace the current SAH facility which is over 100 years old and offers only 235,449 square feet of operational space.
- *A 69,750 square foot Education Center.* This center will offer a GED Program, Vocational School, Classroom Educational Programs - including Kitchens, Wellness and other Vocational Programs.
- *A 30,000 square foot Hospitality Center.* This will include banquet, conference rooms and other meeting room areas.
- *A 18,000 square foot Daycare Center.*
- *A 250,000 Square Foot Retail Area.* It is contemplated that this aspect of the development will include an anchor tenant, food court, and numerous specialty retailers. This retail concept will offer a top quality retail experience to the residents within SAH’s service area.
- *A 25,000 Square Foot Common Space area.*
- *A 200,000 Square Foot Parking Garage.* This will include approximately 1,550 parking spaces.

With its current plant over 100 years old, the new campus will allow the hospital to more efficiently serve its clientele. It is estimated that there are over 400,000 residents within the Saint Anthony Hospital service area. The Campus development is seen as a centerpiece for economic development within the hospital's service area. In addition to the construction related jobs that will be created, this project will expand employment within the hospital and create hundreds of new jobs as a result of the added retail and hospitality modules. Finally, by offering education and wellness services, the new Campus will enrich the lives of thousands of people. All of these observations are even more attractive given our current view that the campus will be self-sustaining, with no additional outside capital (public or private) required once the Campus opens.

(b)(4)

The estimated cost of the project is \$ [REDACTED] and will be funded by a combination of public/private sources. While the capital requirements are significant for this type of development, it should be noted that the benefits far outweigh the costs. The Campus development, in our view, offers the possibility for being a blue print for inner-city development across the United States. By combining a financially stable hospital with various ancillary services (retail, hospitality, etc), the Campus model should be considered a cornerstone in development within economically challenged, inner-city areas. Furthermore, the partnering of typical medical services with the ancillary businesses will ultimately create a larger tax base by significantly increasing the number of jobs in the service area, as well as generating taxable income and sale tax revenues through the retail related modules.

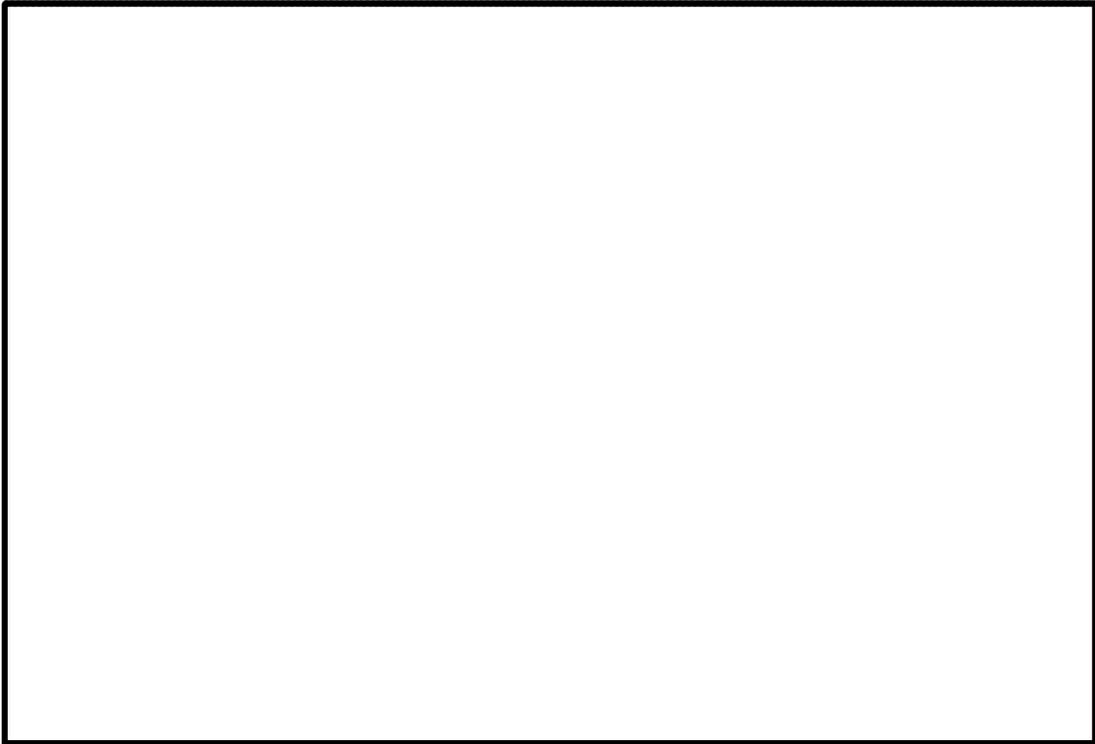
Clearly, the current hospital environment is challenging. With reimbursement facing significant downside pressure, inner-city hospitals are struggling to survive. SAH is well positioned to withstand the reimbursement challenges as well as the competitive hospital landscape.

Since the SAH Management team has orchestrated a turnaround and stability plan over the past four years, operations have improved dramatically. This operational improvement, coupled with the fact that SAH is not saddled with debt, will serve to

buttress SAH against possible reimbursement cuts as well as competitive pressures. Furthermore, the new Campus model should also provide ancillary revenue sources (through the various rental streams) to SAH. This will further bolster the hospital's operations and provide incremental liquidity to the hospital during challenging periods.

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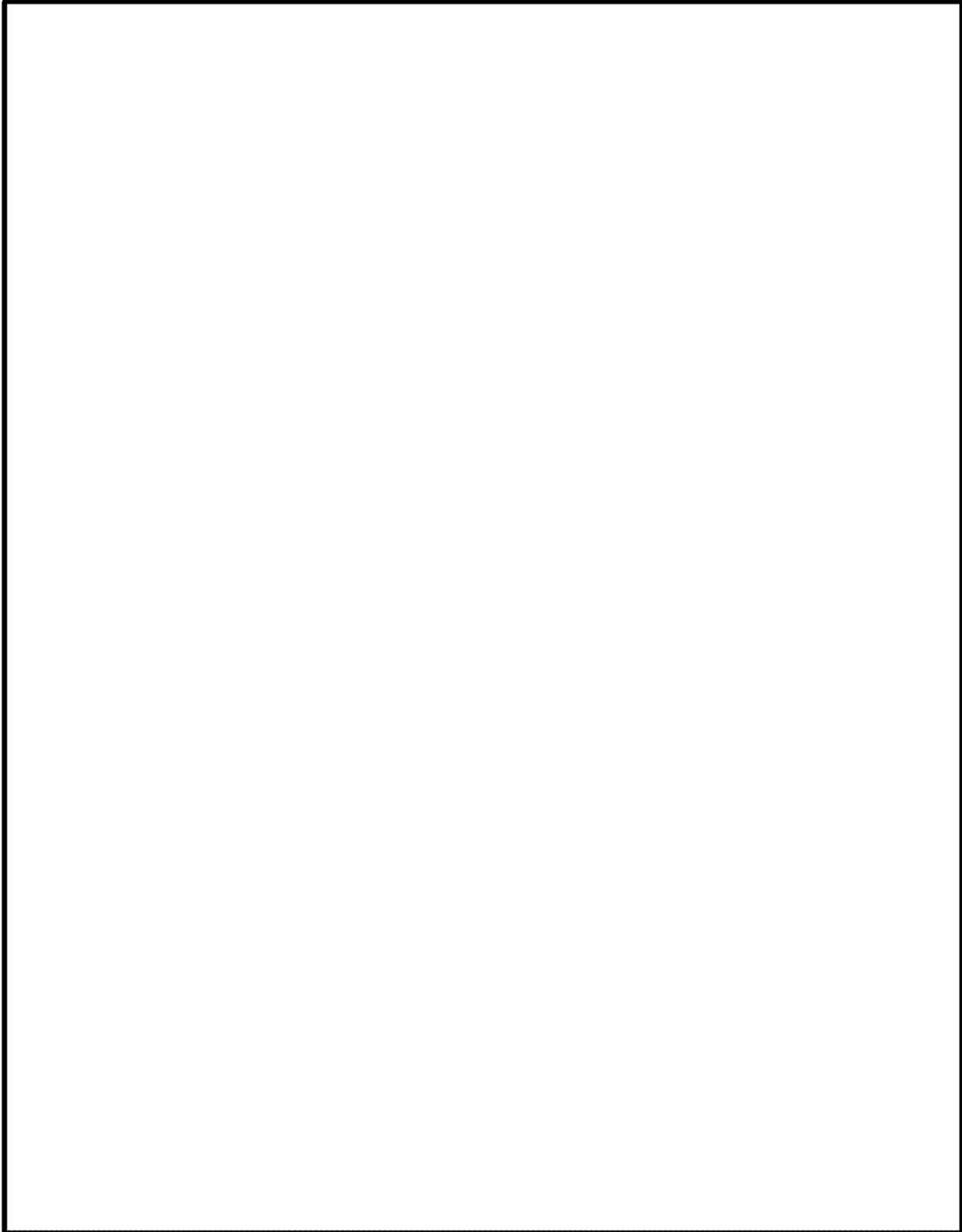
**KEY FINDINGS & OBSERVATIONS:**



Please see Exhibit A for a Detailed Presentation of SCM's Summary Financial Template.

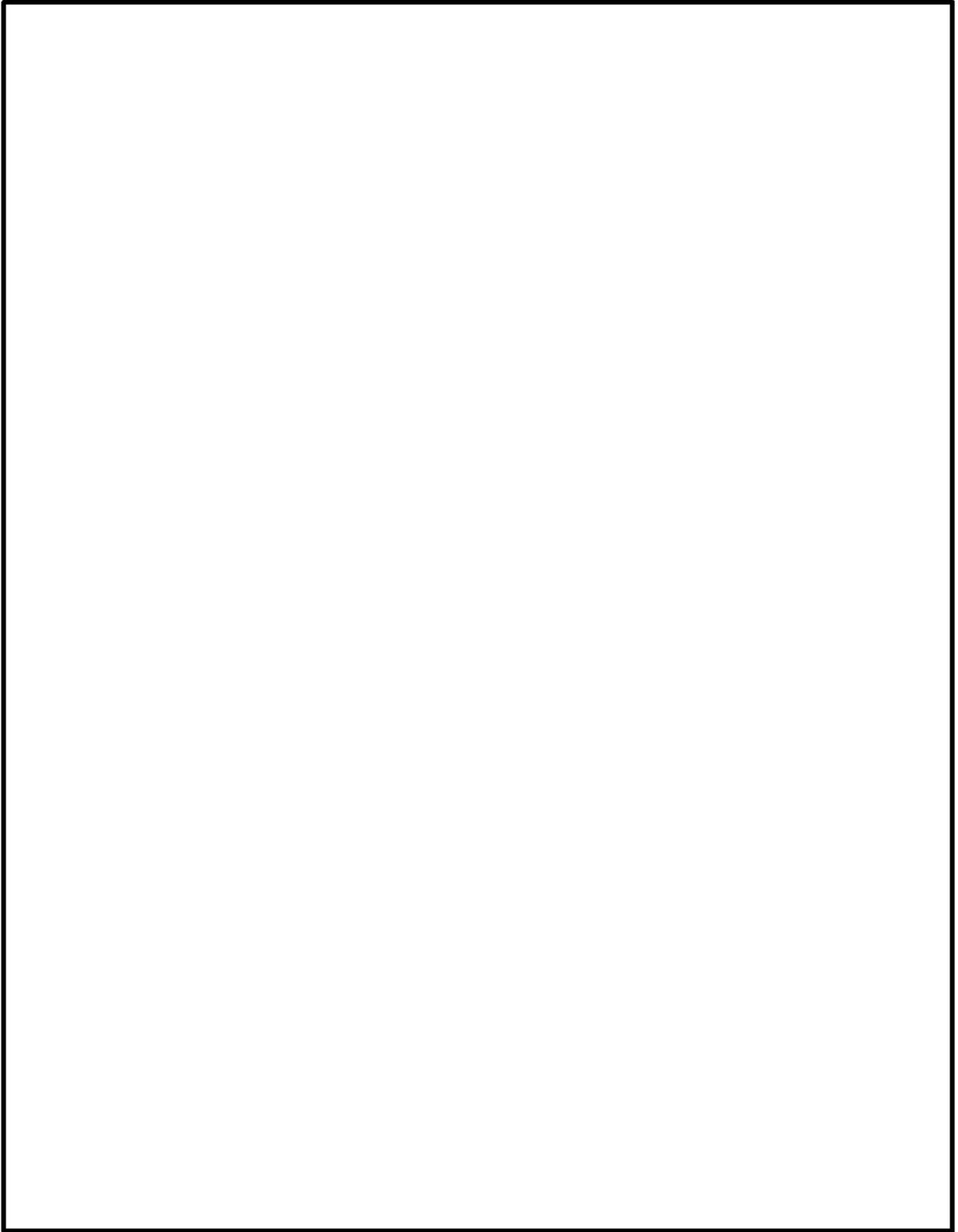
**NEXT STEPS:**

(b)(4) This presentation provides a preliminary review of the Campus Development, including a dynamic financial model and Executive Summary. This has been completed. Next Steps in the Planning and Development process should include:



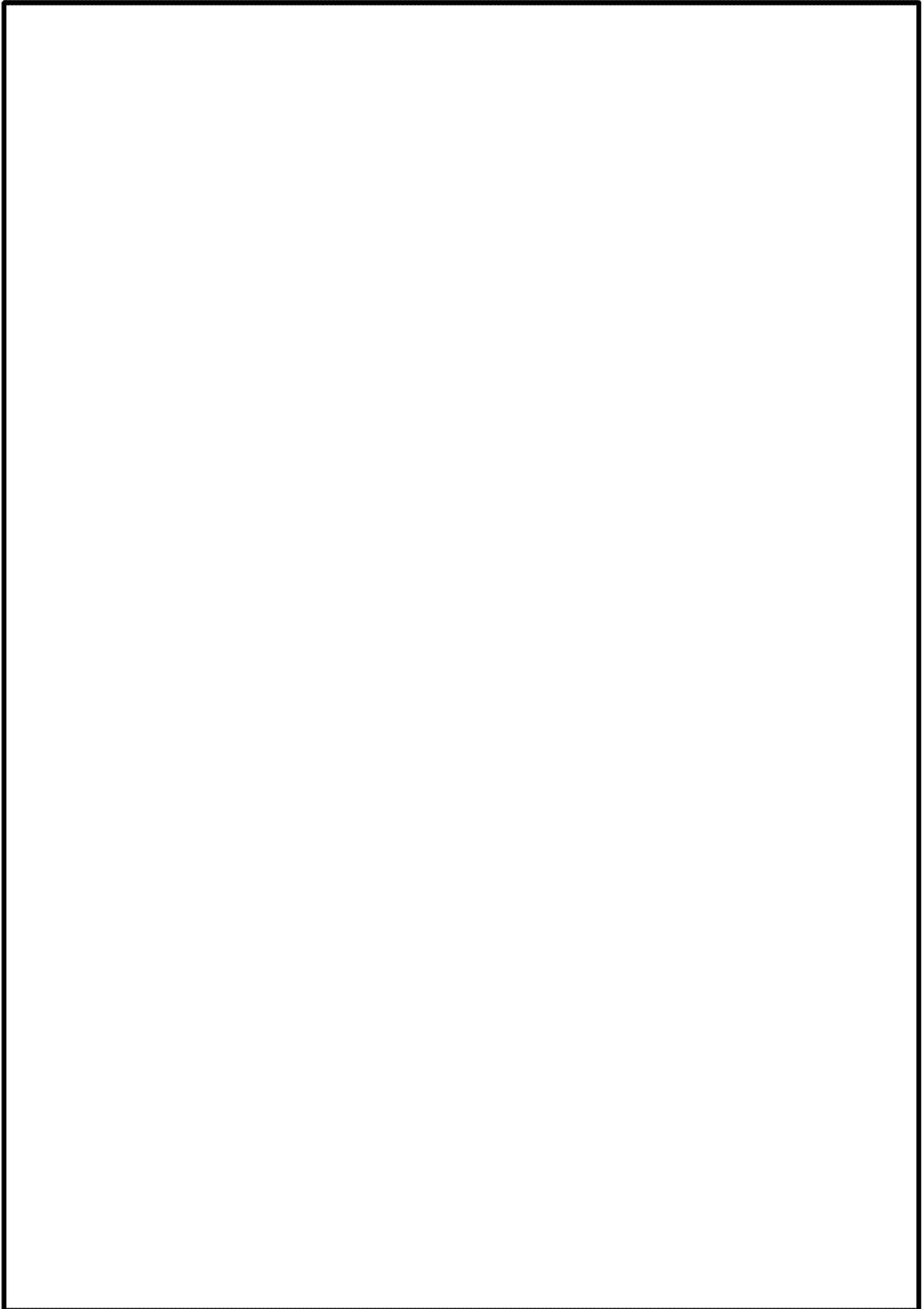
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**TABLE 1: Hospital and Operating Segments Forecast**

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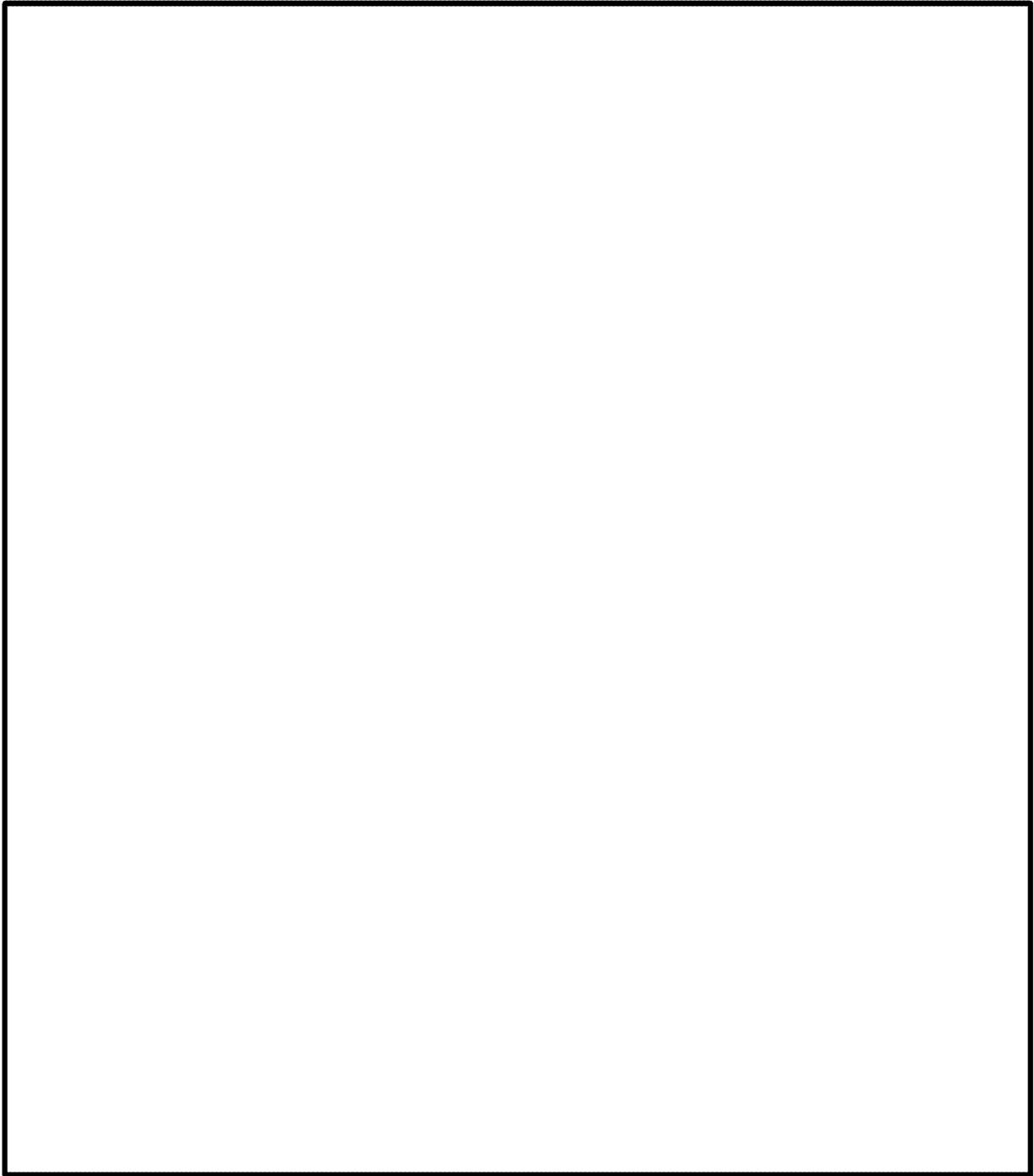
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**CONTEMPLATED STRUCTURE:**



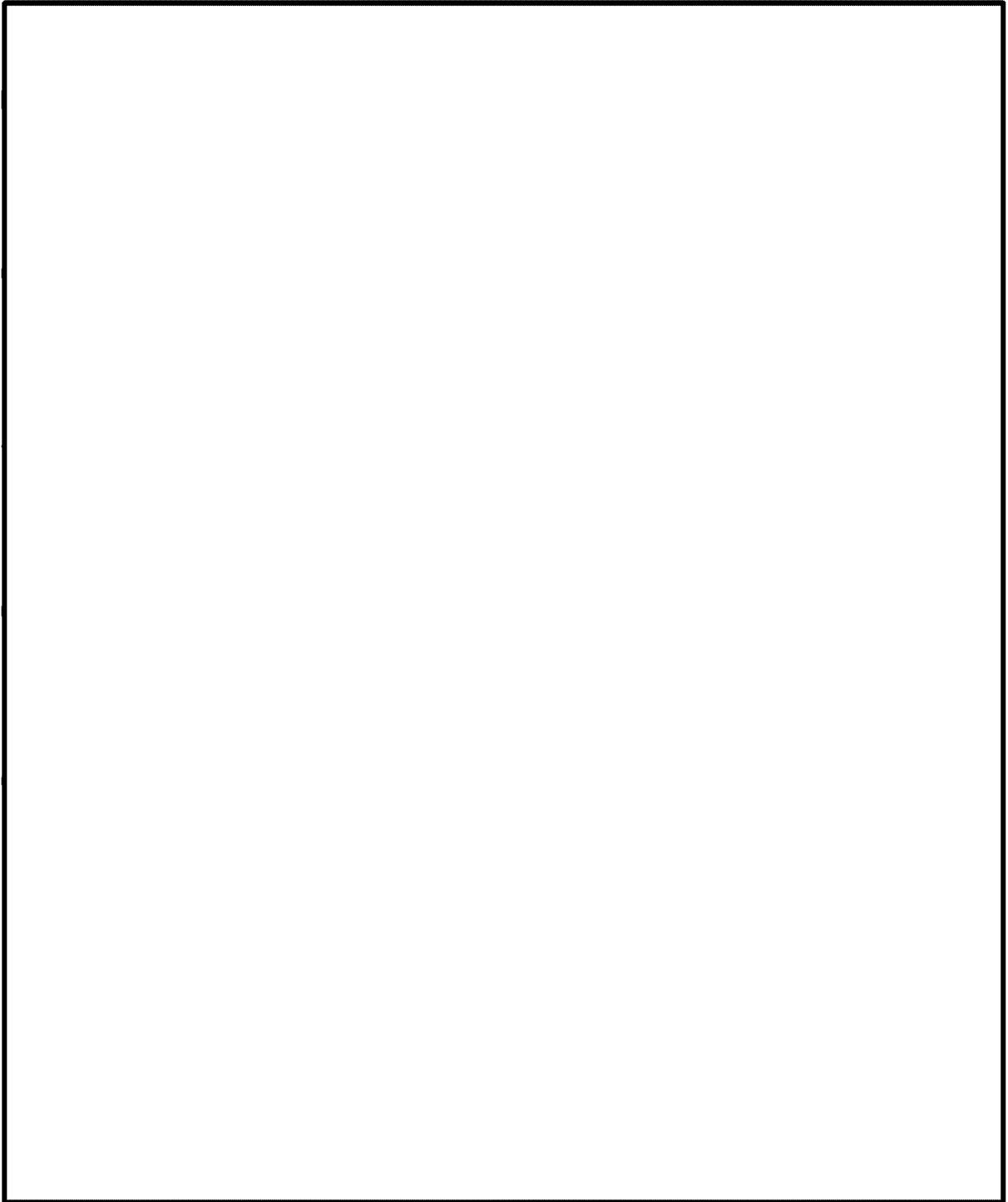
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**FINANCIAL MODEL**



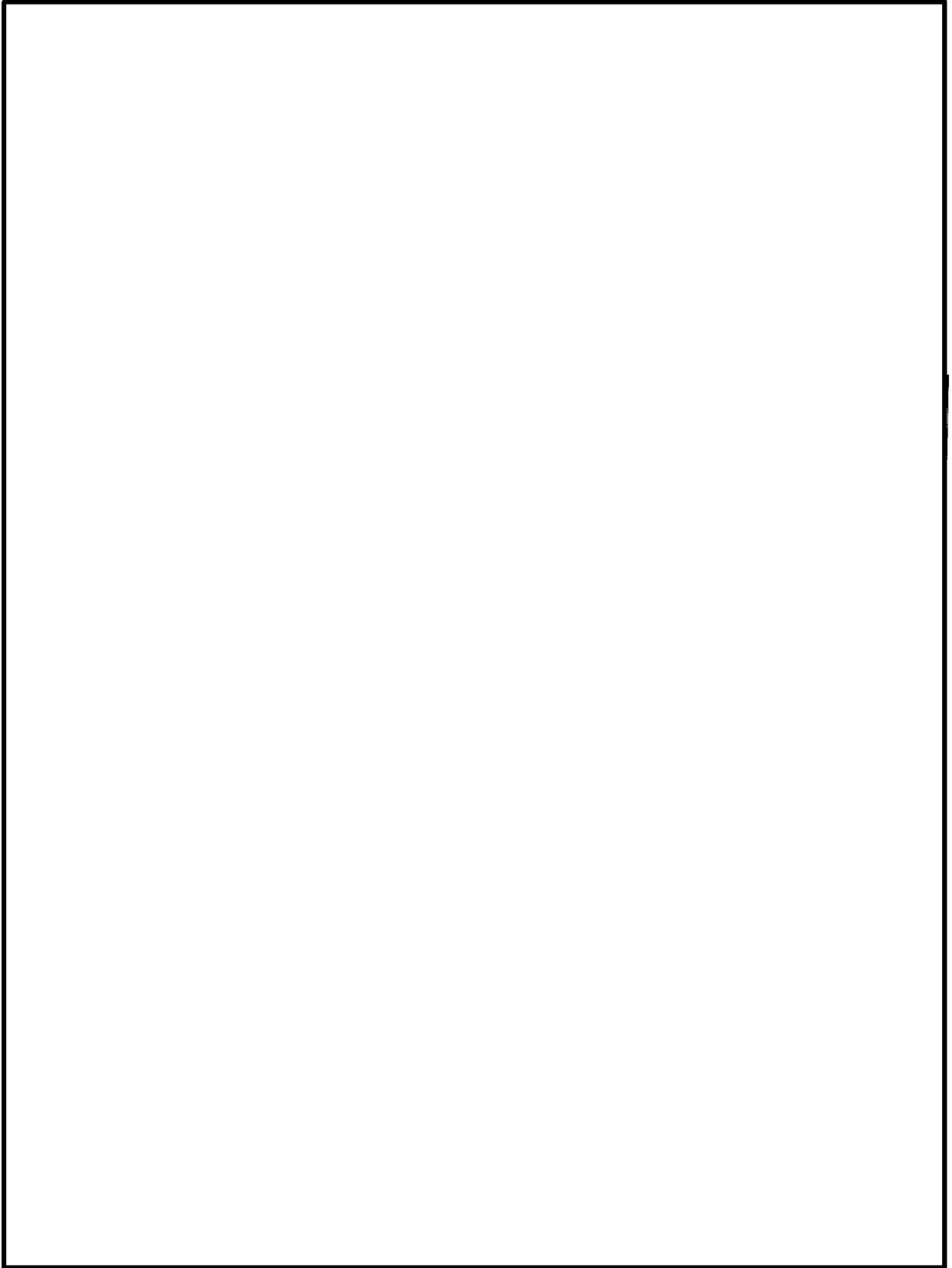
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**TABLE 2: Hospital and Holdco Operating Summary**

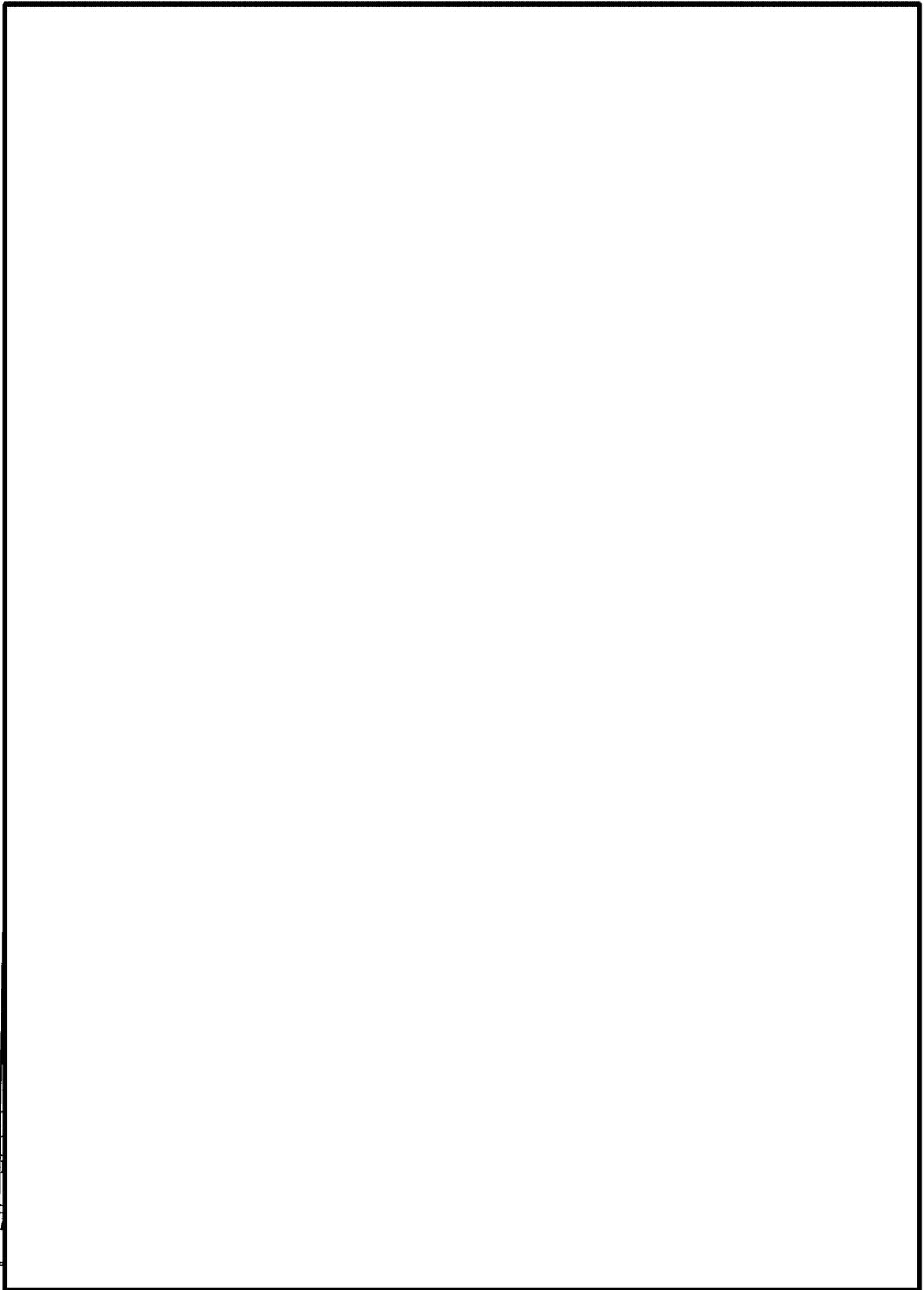
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**HOSPITAL:**

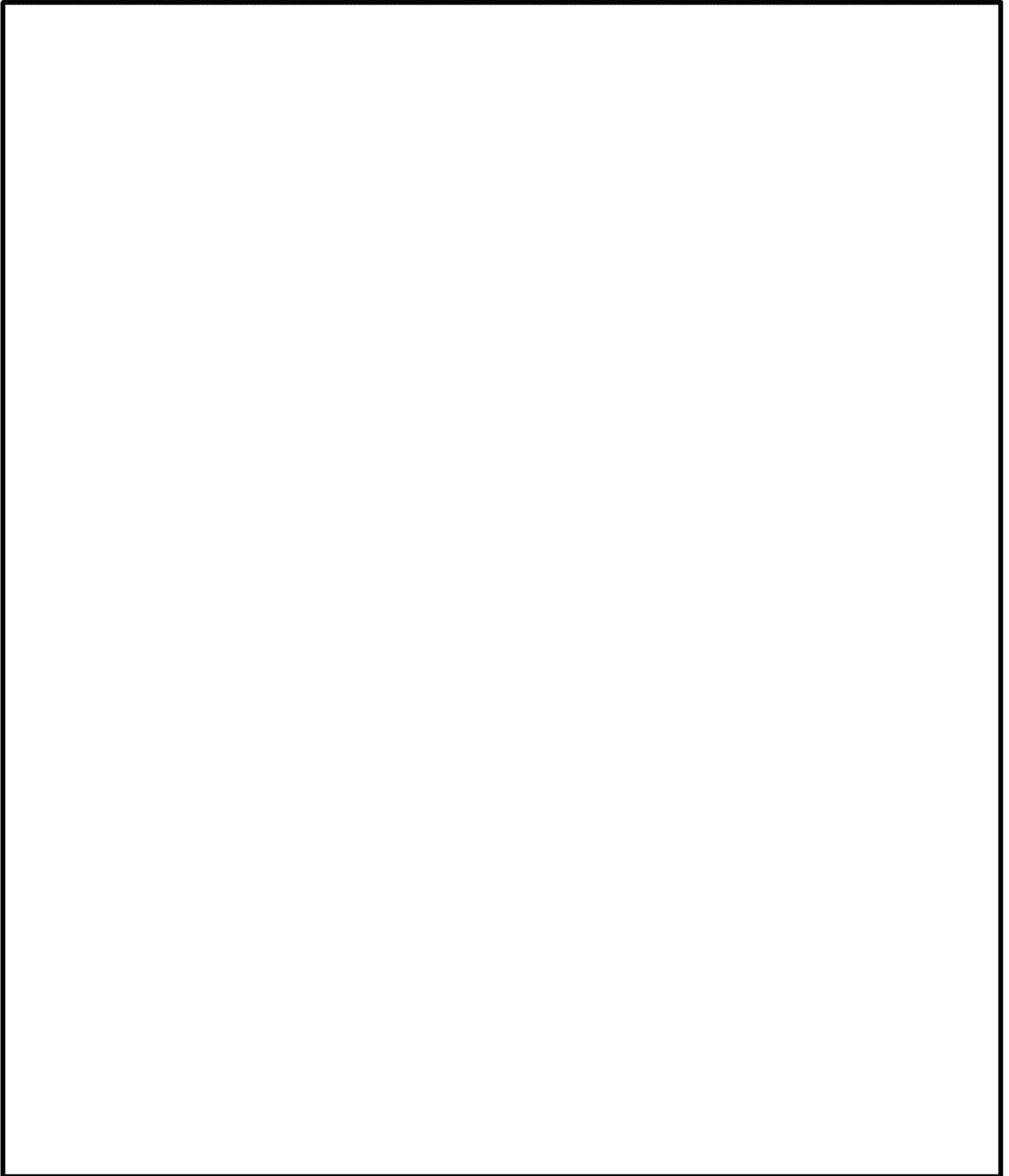


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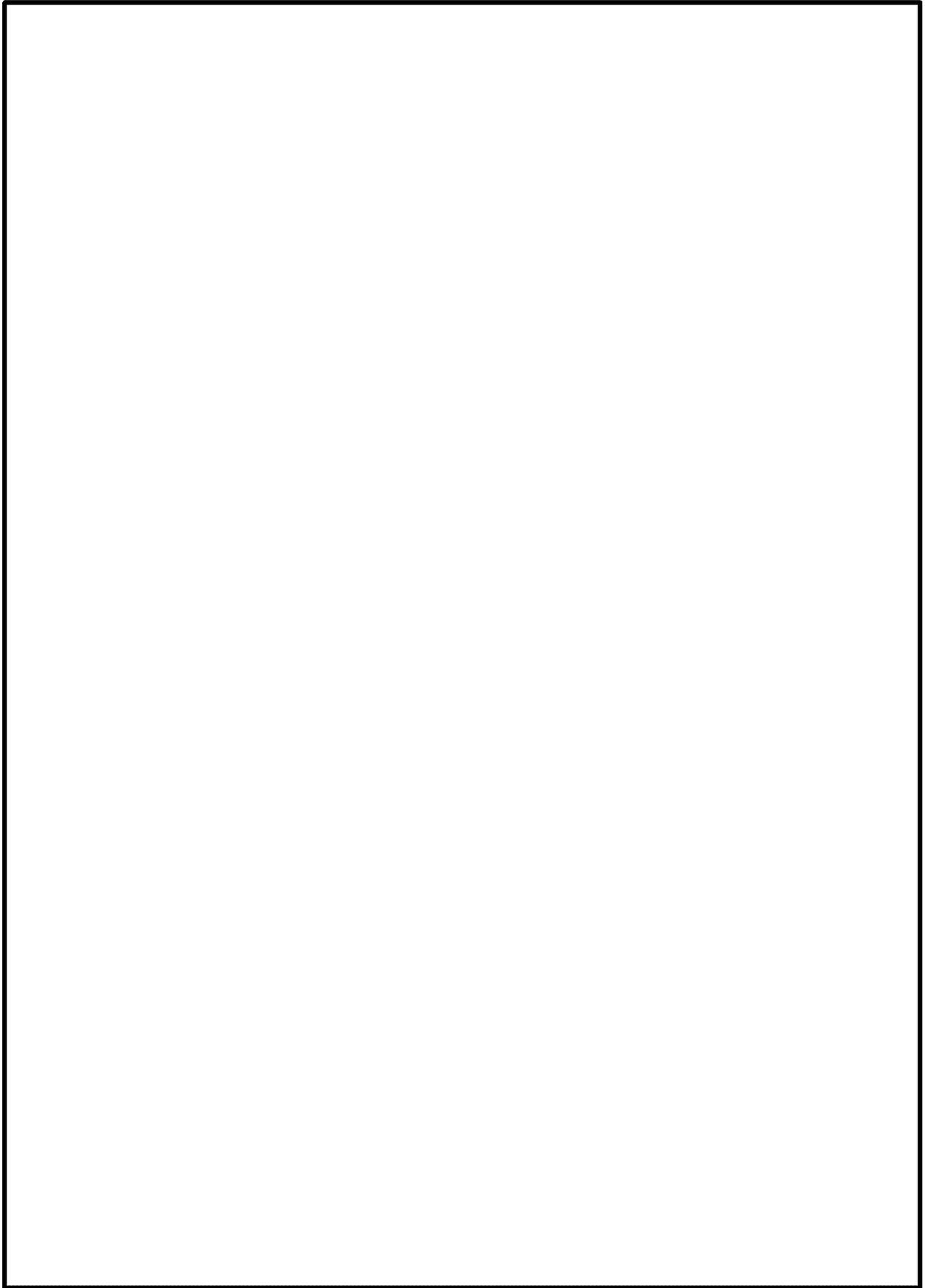


**KEY ASSUMPTIONS:**

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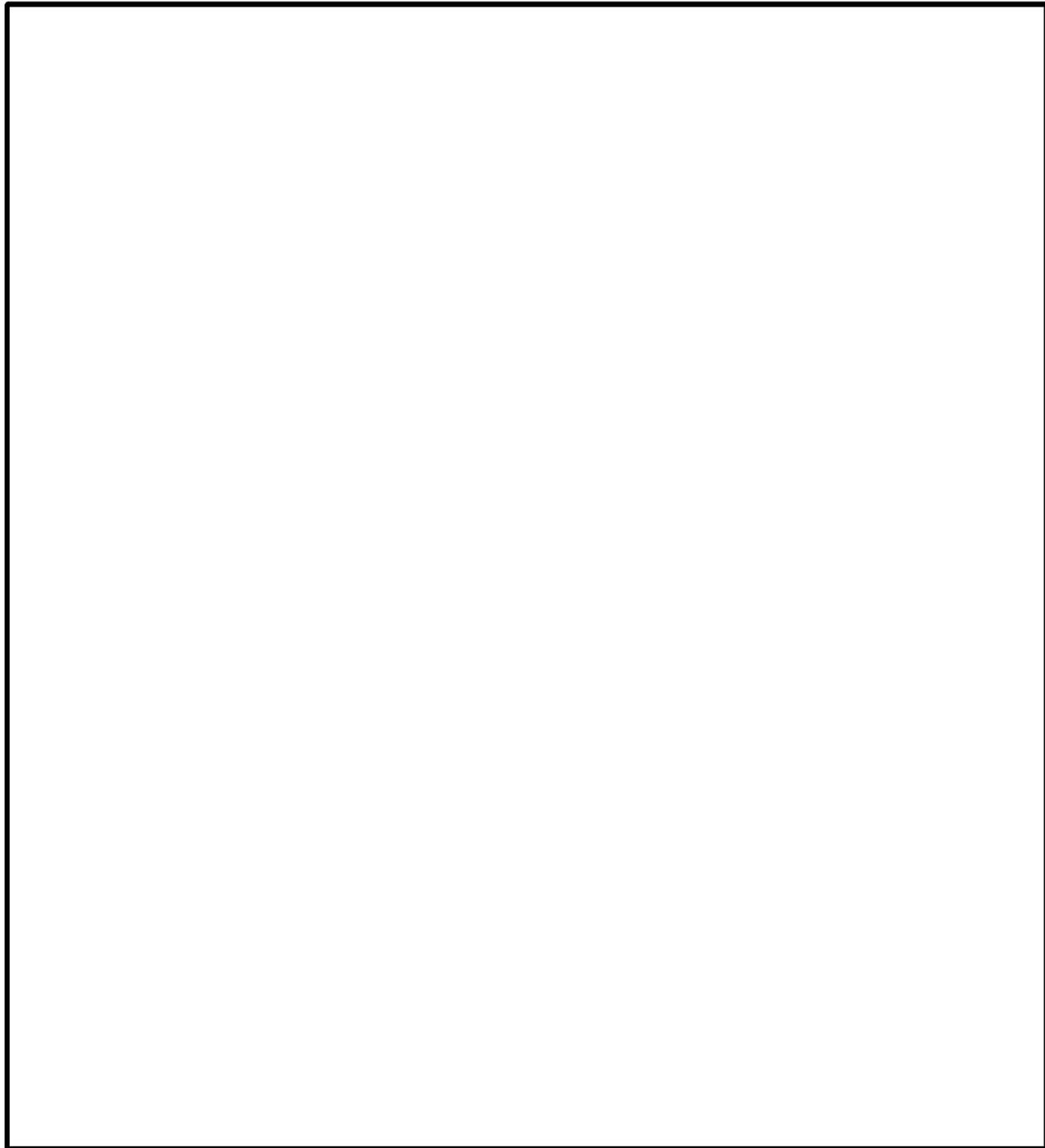
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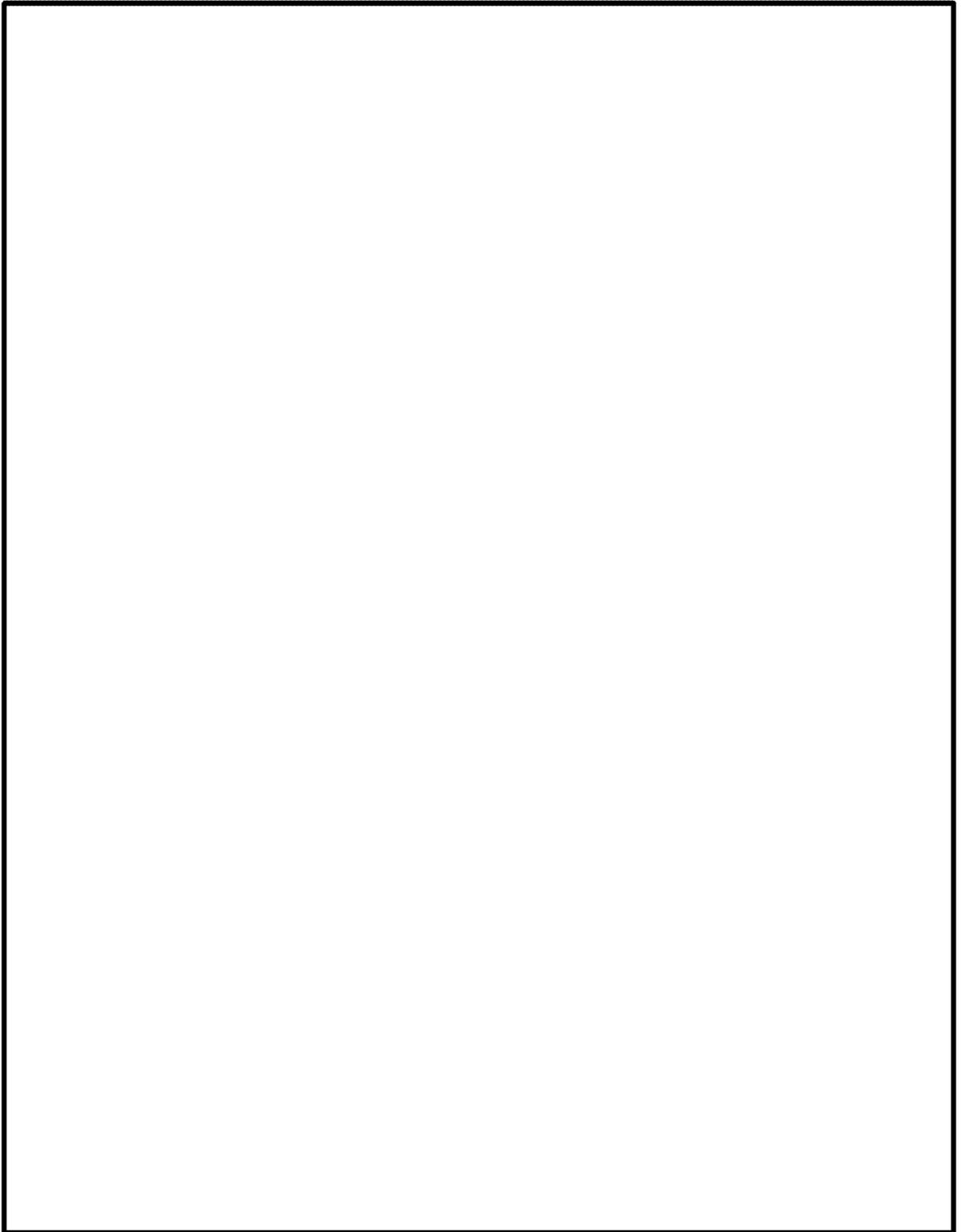


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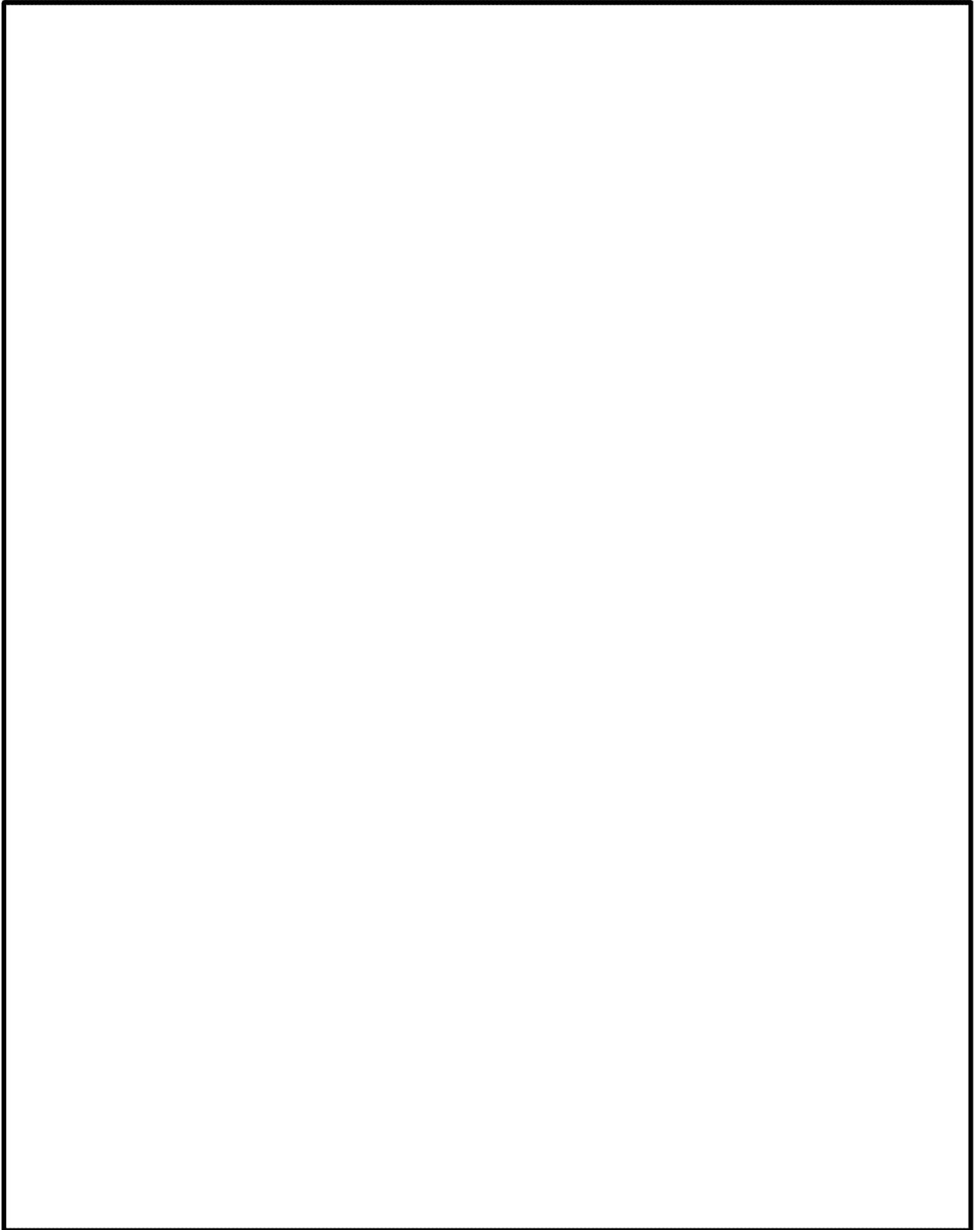
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**CONCLUSION FOR HOSPITAL MODEL:**

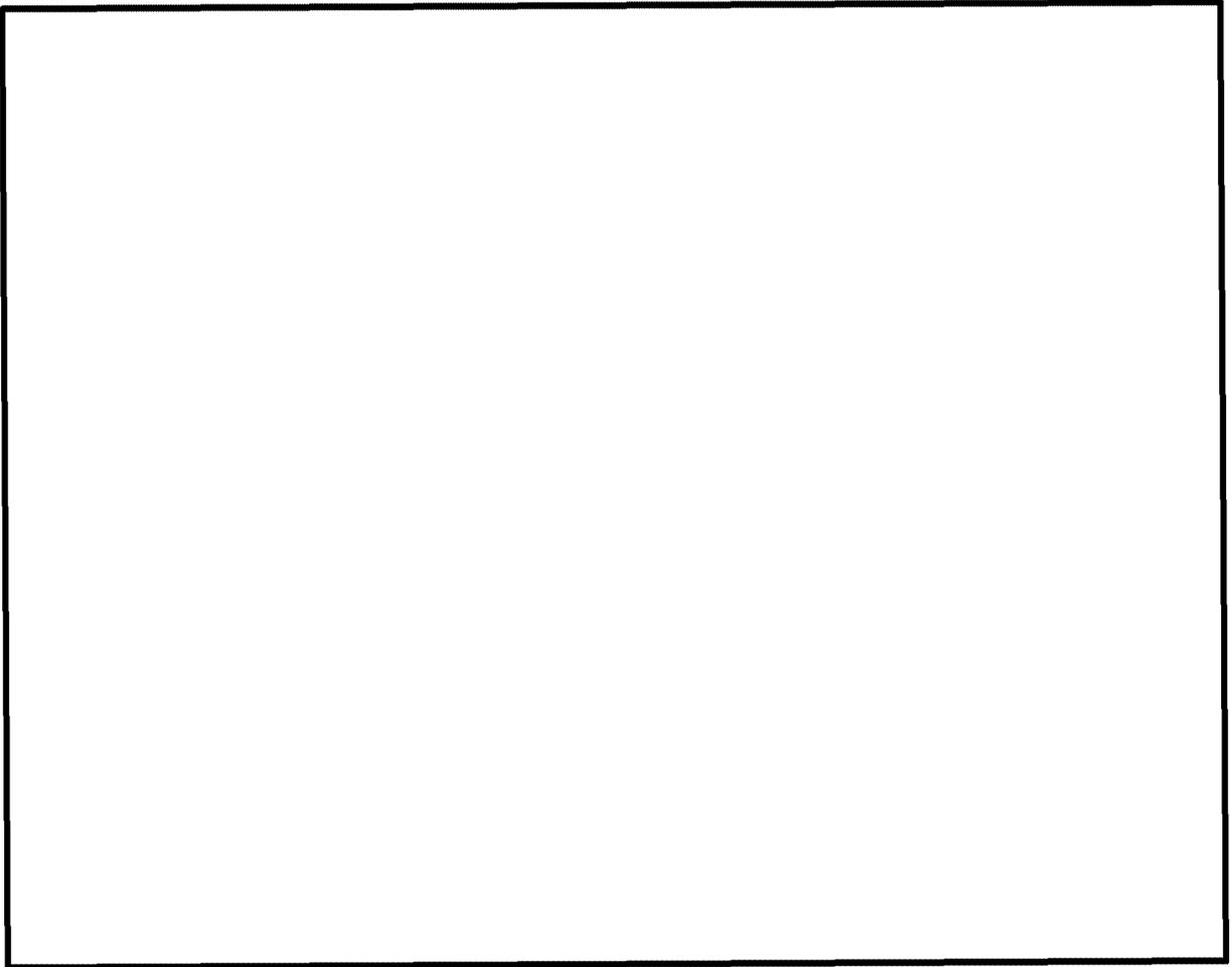


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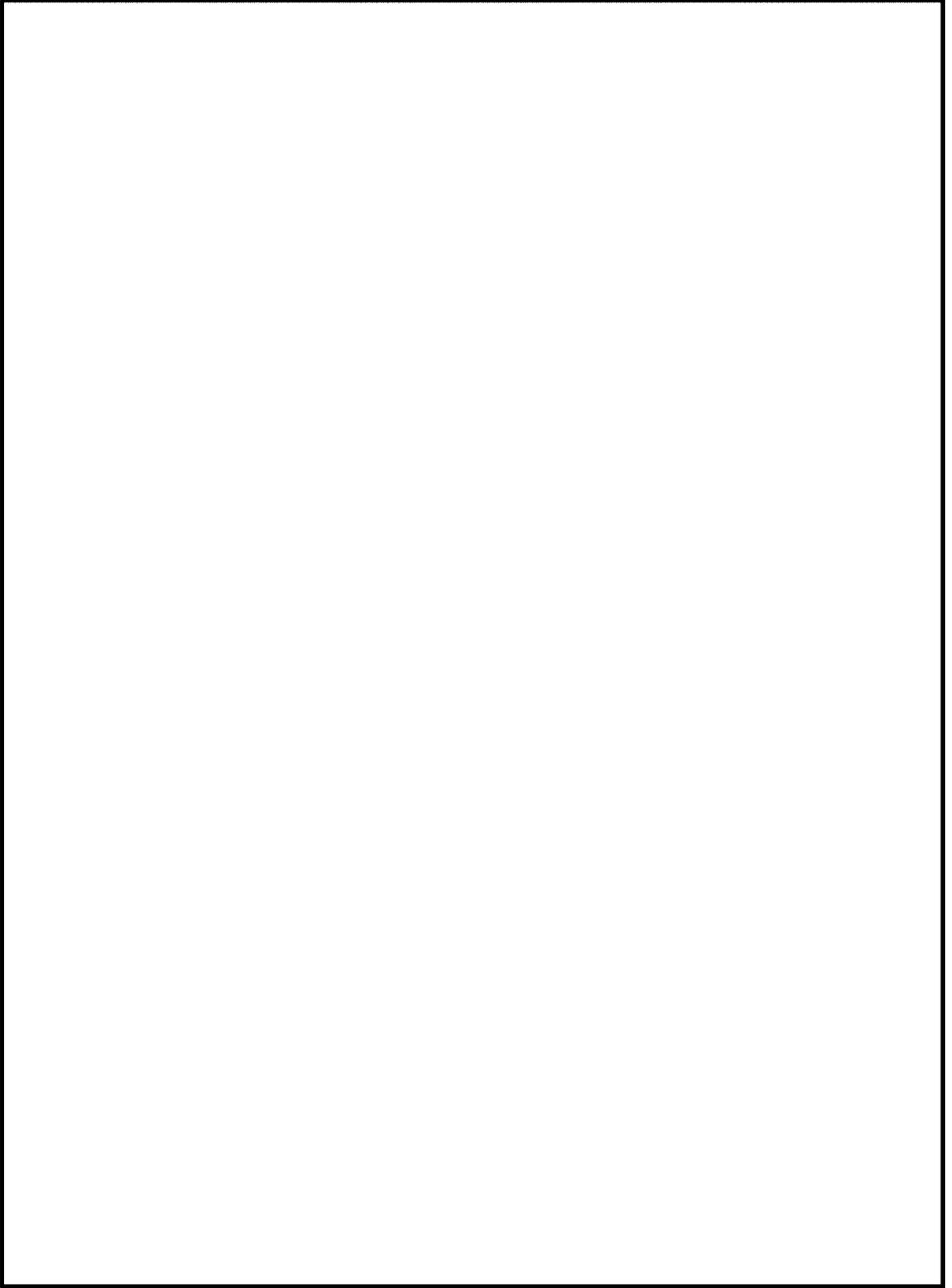
**HOLDCO MODEL:**



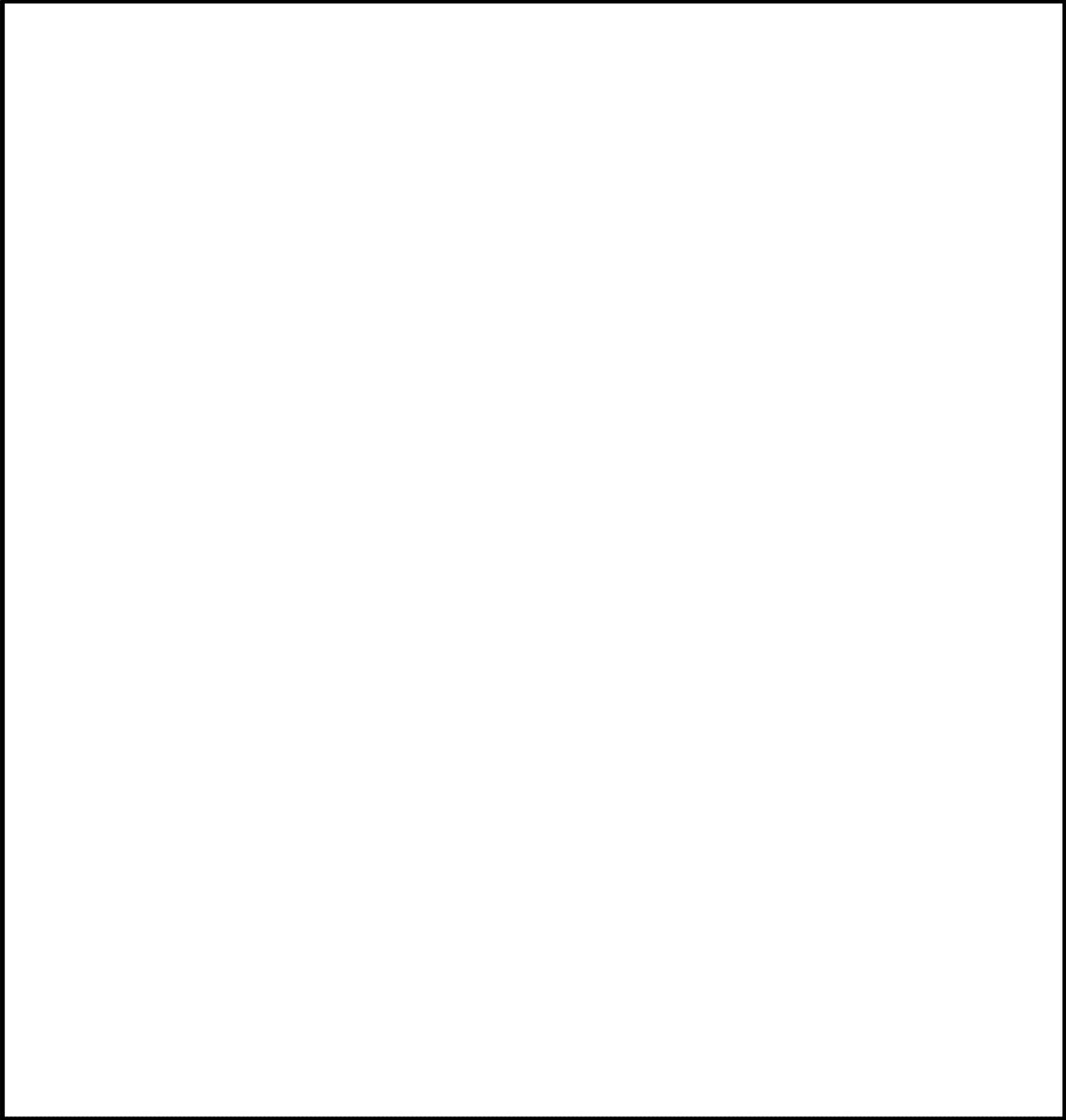
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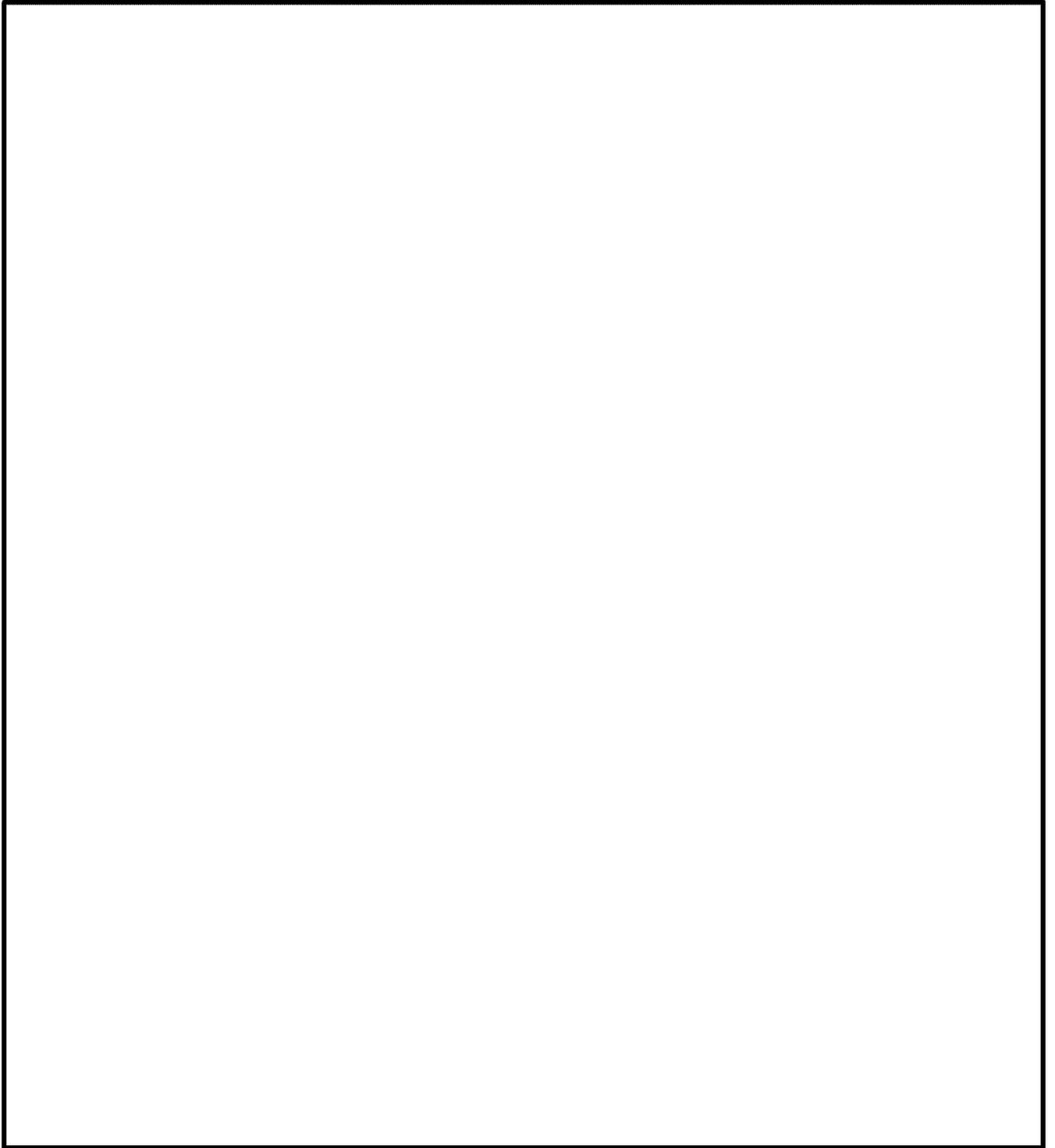
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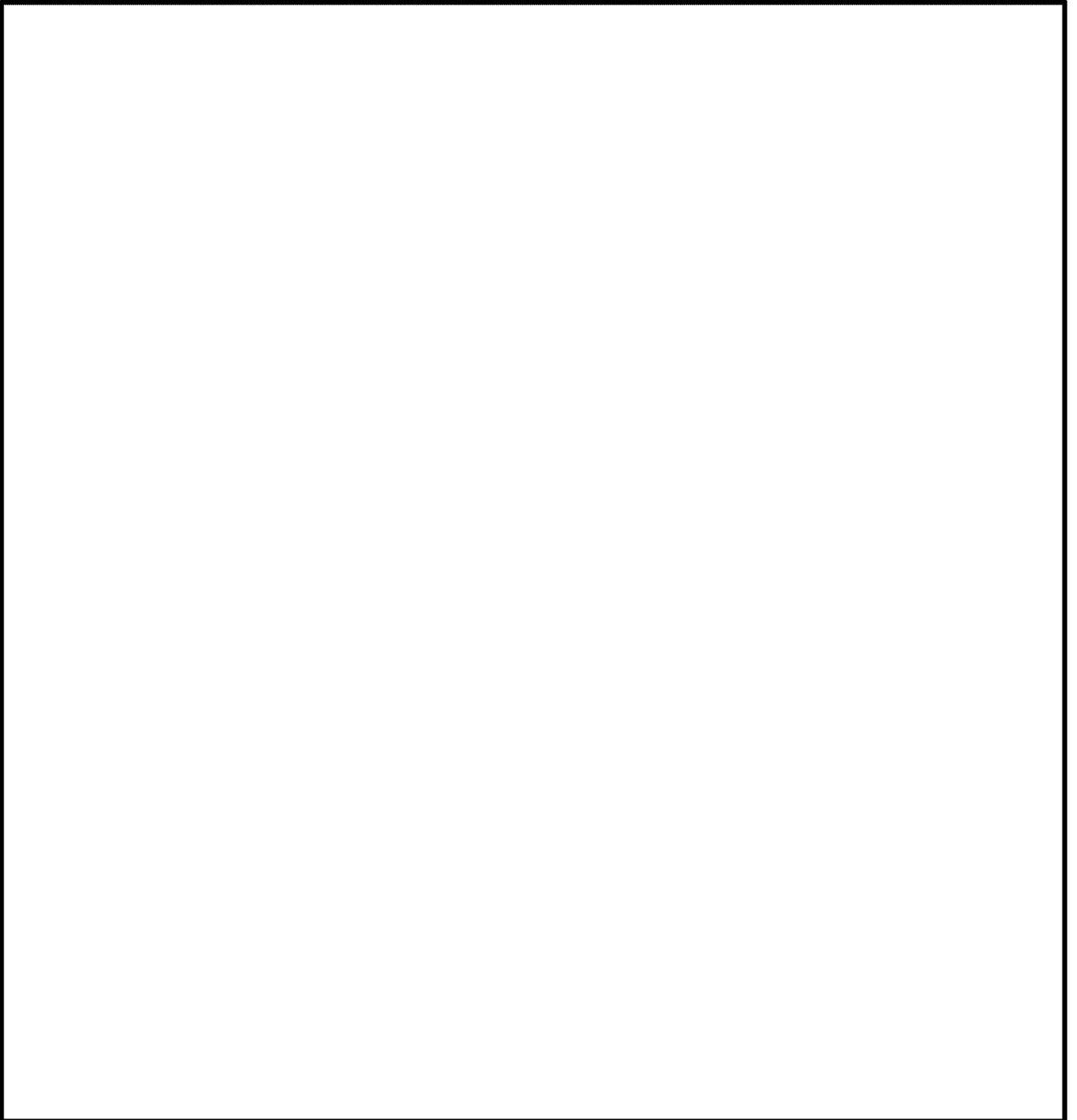
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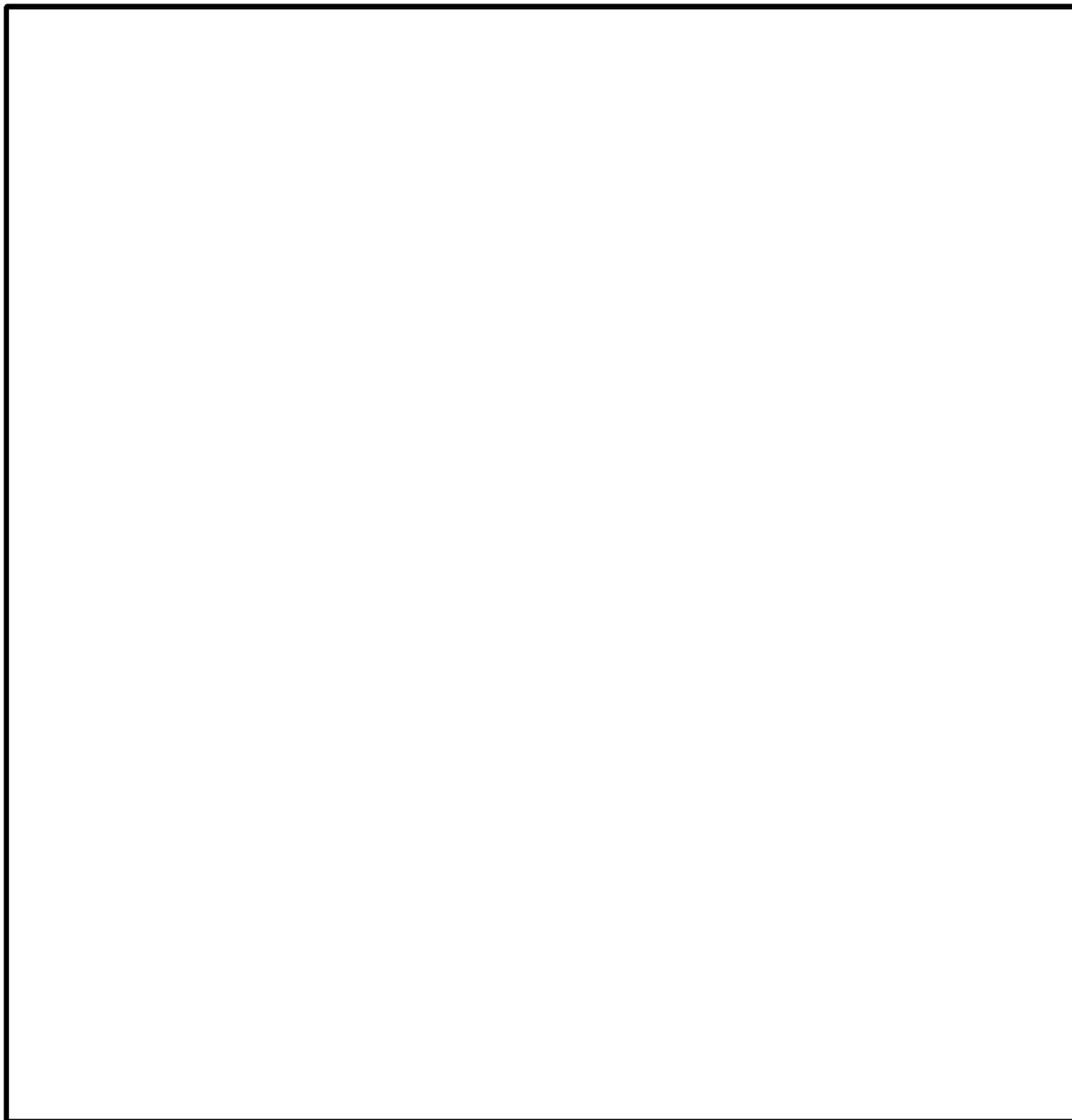
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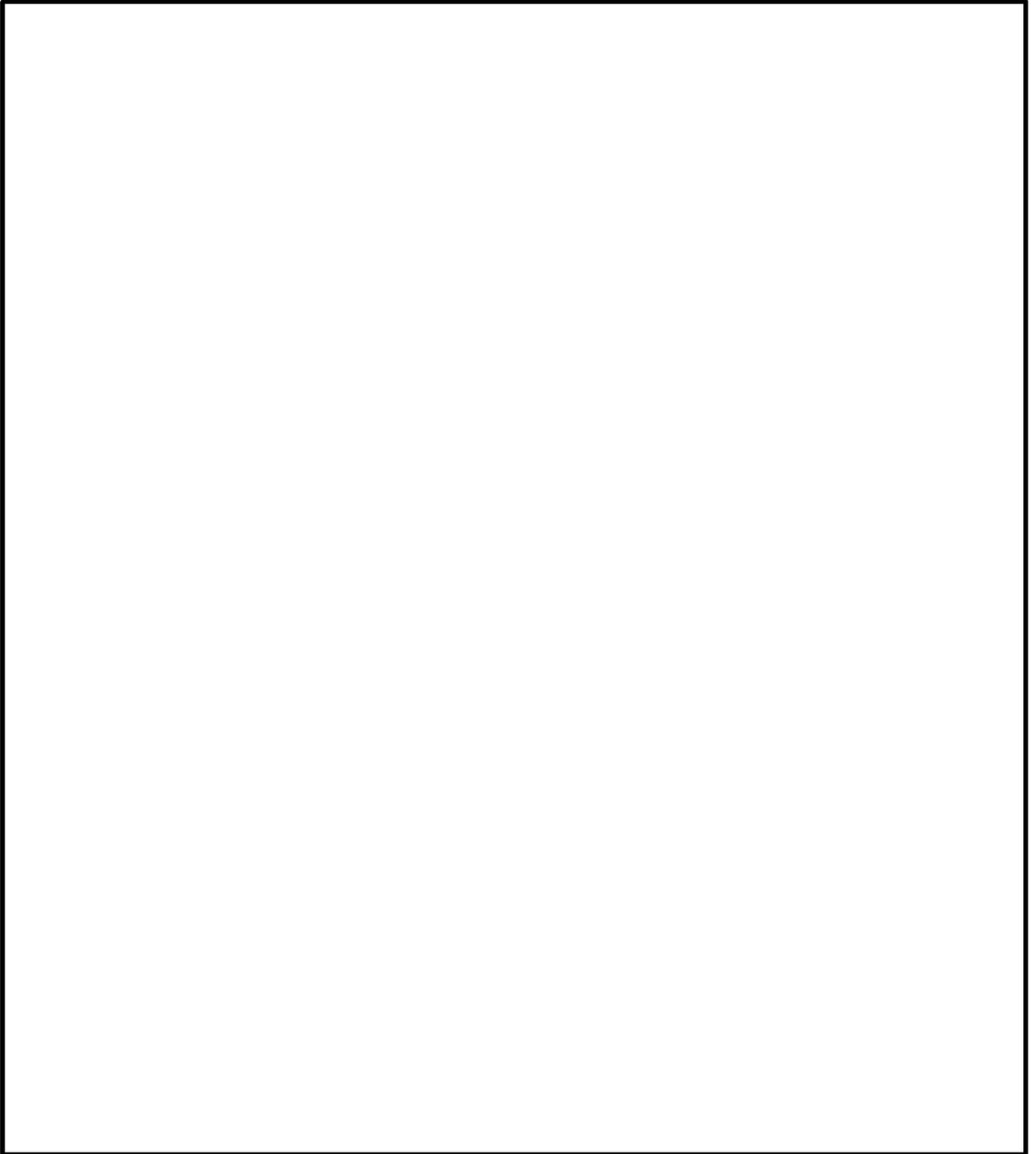
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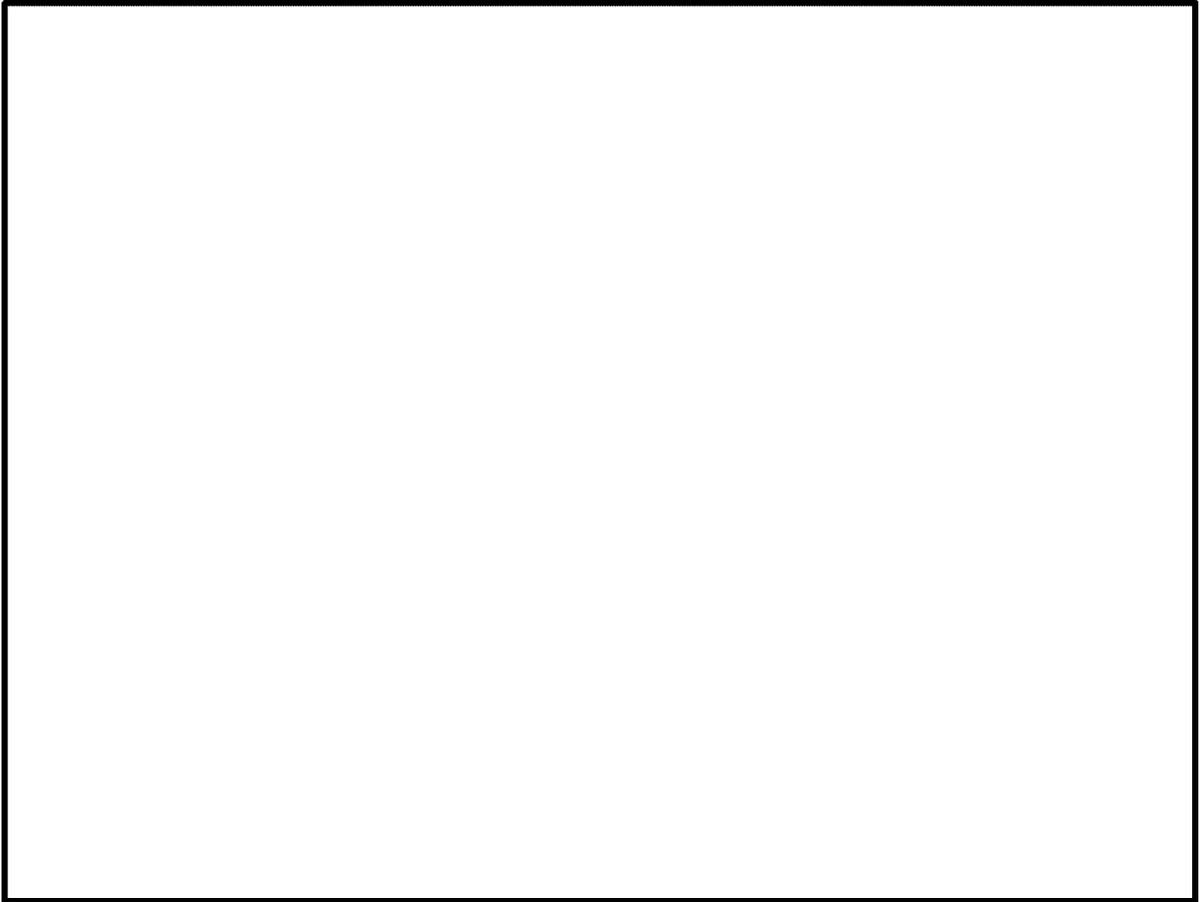
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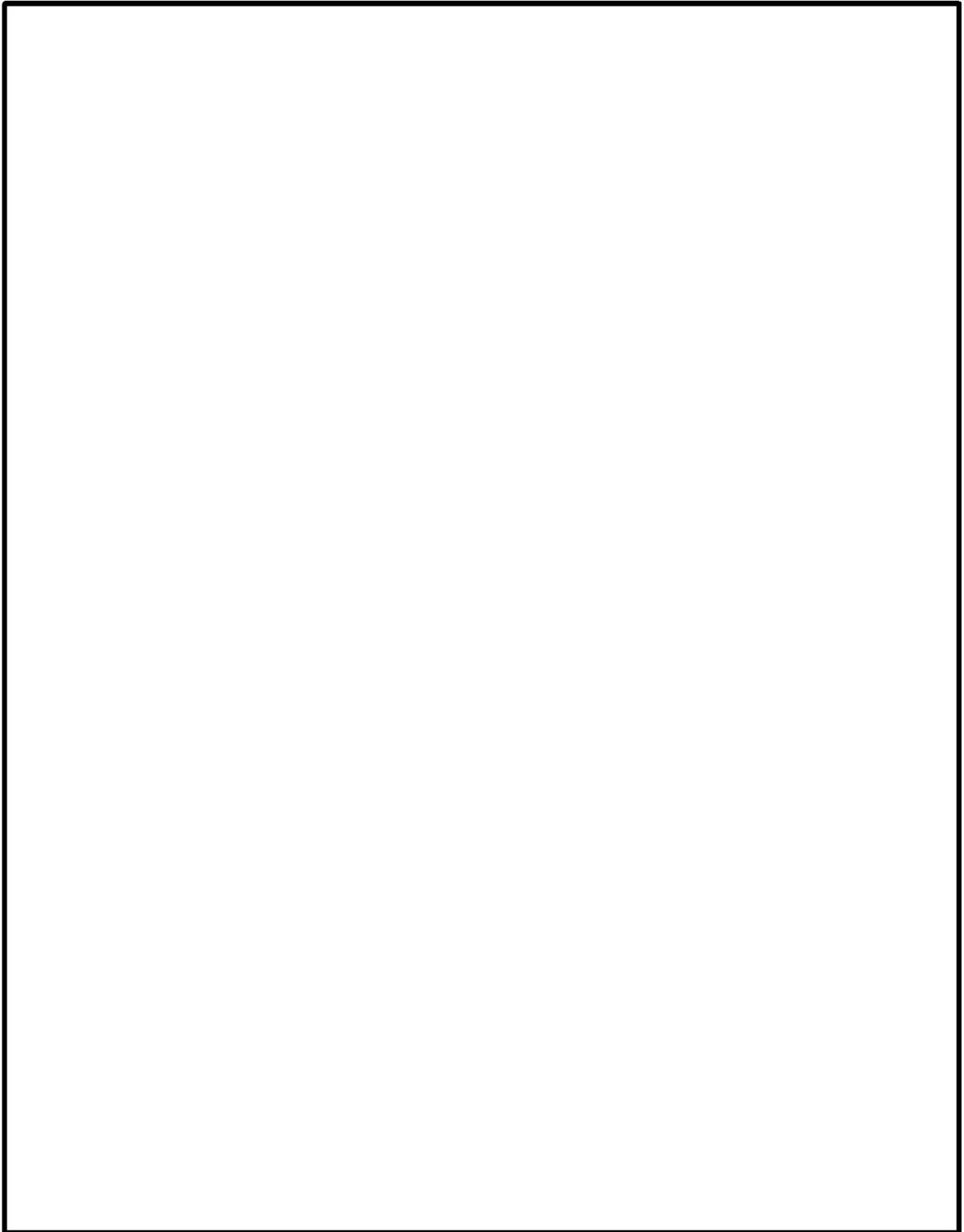


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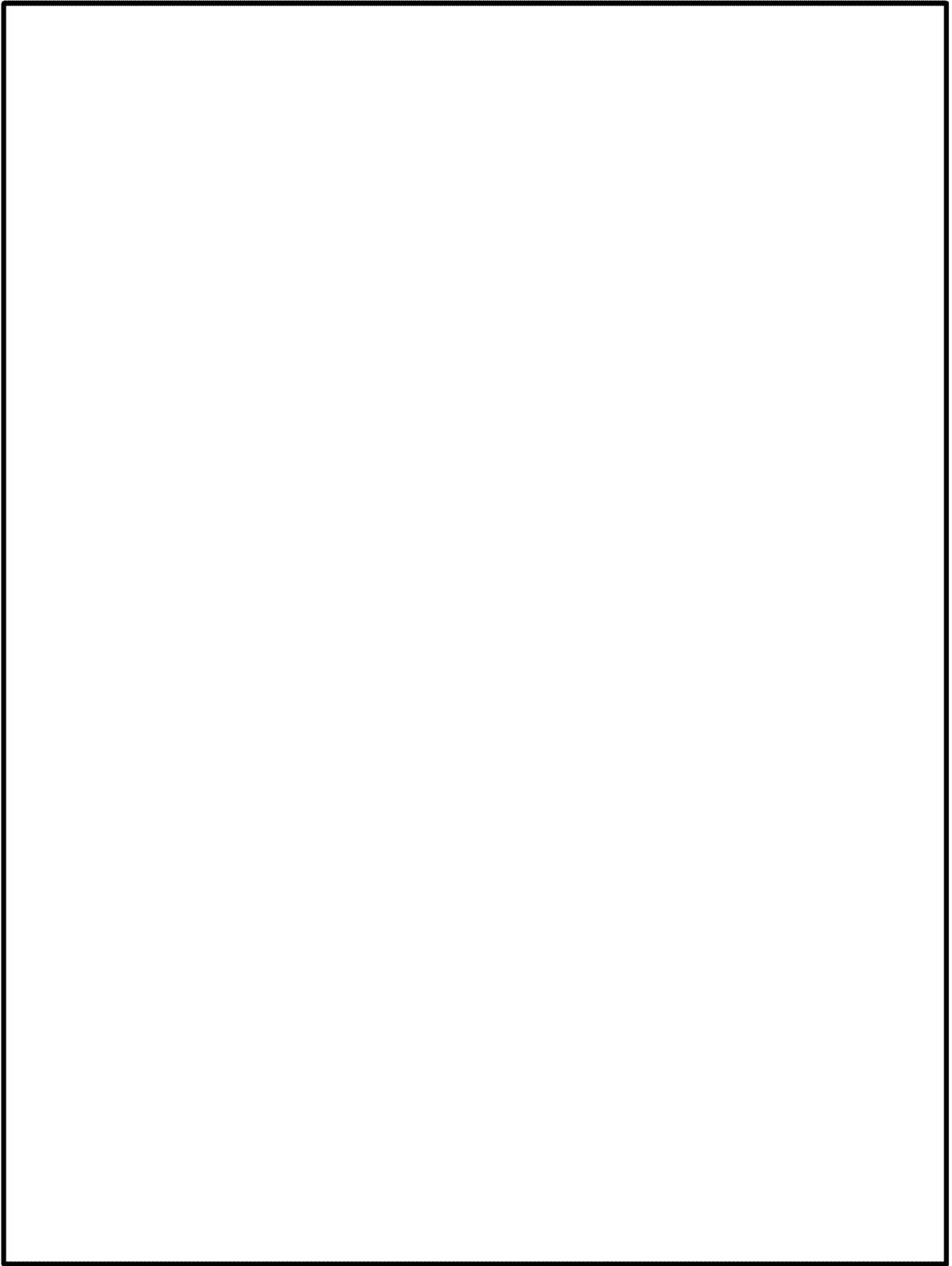
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**CONCLUSION FOR HOLDCO MODEL**

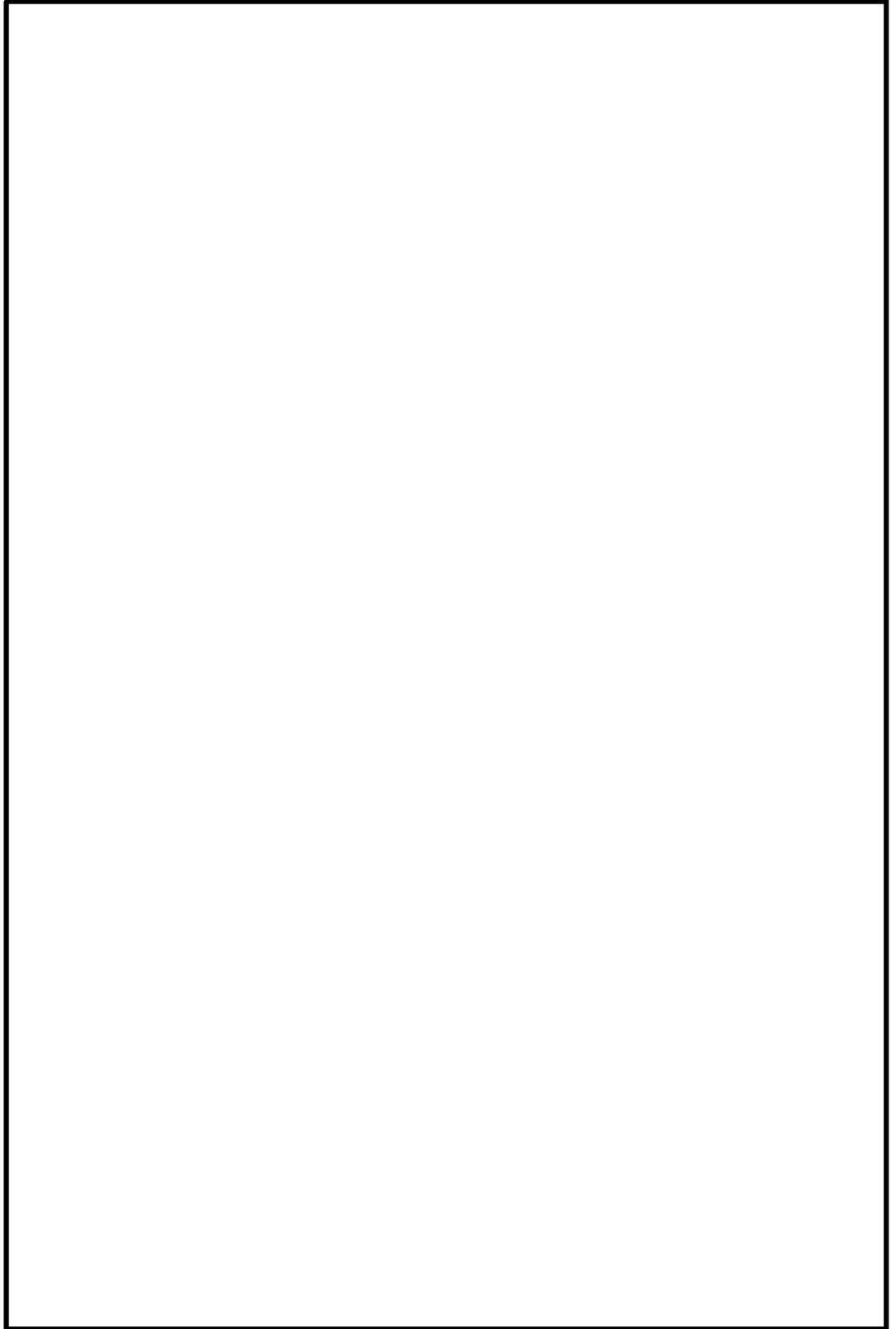


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**FINAL CONCLUSION & ADDITIONAL STEPS**



(b)(4)



## SHANNON CAPITAL TEAM BIOGRAPHIES

### **Michael P. Keller**

Mr. Keller is a seasoned investment professional with significant experience in distressed asset management, restructuring, origination & underwriting, and the monetization/liquidation of various types of distressed asset pools. Over his career, Mr. Keller has managed over \$15.0 billion in distressed assets.

Currently, Mr. Keller is President of Shannon Capital Management, LLC. In this role, Mr. Keller advises companies, creditors and equity investors with respect to restructurings, recapitalizations and divestitures. Specifically, he has assisted investors in their assessment of global restructurings and recapitalization opportunities. Additionally, Mr. Keller assisted a proprietary trading desk acquire and monetize a \$150.0 million portfolio of C&I and Real Estate loans. Mr. Keller was involved in the initial due diligence of the portfolio, as well as assisted in the development and implementation of all monetization strategies.

Prior to founding Shannon Capital Management, LLC, Mr. Keller was a member of CapitalSource Finance's senior management team for seven years. He has held many leadership positions, including heading up CapitalSource's Restructuring Group. In this role, Mr. Keller was responsible for the management, restructuring and monetization of CapitalSource's stressed loan portfolio. He was responsible for the development and implementation of valuation models and templates. Also, he was responsible for developing the process and procedures for the management of CapitalSource's stressed asset portfolio. This included the development of a dedicated process for the management of the portfolio, inclusive of all monitoring and reporting. Mr. Keller built a team of 10 investment professionals.

Additionally, Mr. Keller was charged with managing CapitalSource's distressed investment initiatives as well as its special servicing arrangements. Specifically, Mr.

Keller developed a “best in class” Debtor-in-Possession (“DIP”) financing group and was responsible for all bankruptcy investing for CapitalSource. In this role, Mr. Keller originated and closed over \$250 million in DIP investments. He also assisted in creating a \$300 million distressed debt vehicle with a joint venture partner (“Fund”). The mandate of the Fund was to generate above-average, risk adjusted returns by taking advantage of inefficiencies within the credit markets. Mr. Keller was responsible for the overall management of the Fund, including origination of investments, the deployment of capital, restructuring of portfolio investments, monetization of investments, and reporting. Mr. Keller also served on the Board of Directors and Investment Committee of the Fund.

Finally, Mr. Keller headed a team that served as “Special Servicer” of a \$250 million pool of distressed assets. In this role, Mr. Keller reported directly to the creditors of a bankrupt finance company. With this, Mr. Keller utilized the same process and procedures that he used in the management of CapitalSource’s stressed asset portfolio. By utilizing a dedicated and meticulous process, Mr. Keller was able to monetize the portfolio in a cost-effective, efficient manner. He also implemented a reporting process that allowed for a continuous dialogue with the creditors through monthly reports, periodic meetings, and calls.

Prior to joining CapitalSource, Mr. Keller served as the Chief Restructuring Officer for the \$1.8 billion Healthcare Finance Division of FINOVA on behalf of Berkadia, LLC; a joint venture between Berkshire Hathaway and Leucadia National Corporation. Berkadia acquired FINOVA - a \$15 billion, NYSE listed commercial finance company – in 2001, shortly after FINOVA had filed for Chapter 11 bankruptcy protection. In this position, Mr. Keller was charged with restructuring, re-engineering and monetizing the \$1.8 billion Healthcare portfolio as well as approximately \$1.0 billion of real estate, media and Corporate Finance Loans. At FINOVA, Mr. Keller also originated and underwrote over \$450 million in healthcare investments and served as Chief Investment Officer of FINOVA Mezzanine.

Previously, Mr. Keller managed portfolios of convertible securities, preferred stock and equity/warrants. In these positions, he oversaw the deployment of capital, the management of the portfolios, and the harvesting of gains. Through this experience, Mr. Keller has extensively utilized various quantitative valuation methodologies.

Mr. Keller has also held various senior, financial/investment positions at PNC Bank and Household International. He holds a Bachelor of Science in Finance from the University of Illinois and an MBA from the University of Notre Dame.

## **Eric Filipovitz**

Mr. Filipovitz has over ten years of experience in the financial services industry. He has held many leadership positions throughout his career and has a proven expertise in quantitative and valuation methodologies, particularly in the middle market distressed debt and equity arenas.

At CapitalSource, Mr. Filipovitz was a member of the Restructuring Group. In his role, Mr. Filipovitz was responsible for the development and implementation of all valuation modules and a portfolio management template that helped assimilate distressed assets on a single management platform. Furthermore, Mr. Filipovitz was charged with the management of the quarterly problem asset reporting process.

In addition to developing the various quantitative methodologies for the group, Mr. Filipovitz also assisted in the valuation process of many of the Restructuring Group's distressed assets. This also included valuations for the Group's residual equity portfolio. Finally, Mr. Filipovitz served as co-Manager of a distressed debt vehicle that was developed in tandem with a joint venture partner.

Previously, Mr. Filipovitz spent several years as a Research Associate for FTN Midwest Securities Corporation, a sell-side equity research firm. While at FTN he provided recommendations on equity investment opportunities in the Auto Parts Suppliers, Leisure Product, and Auto Parts Retail industries. His primary responsibilities were earnings forecasting, industry and company-specific note and report writing, and communicating investment views to institutional investors.

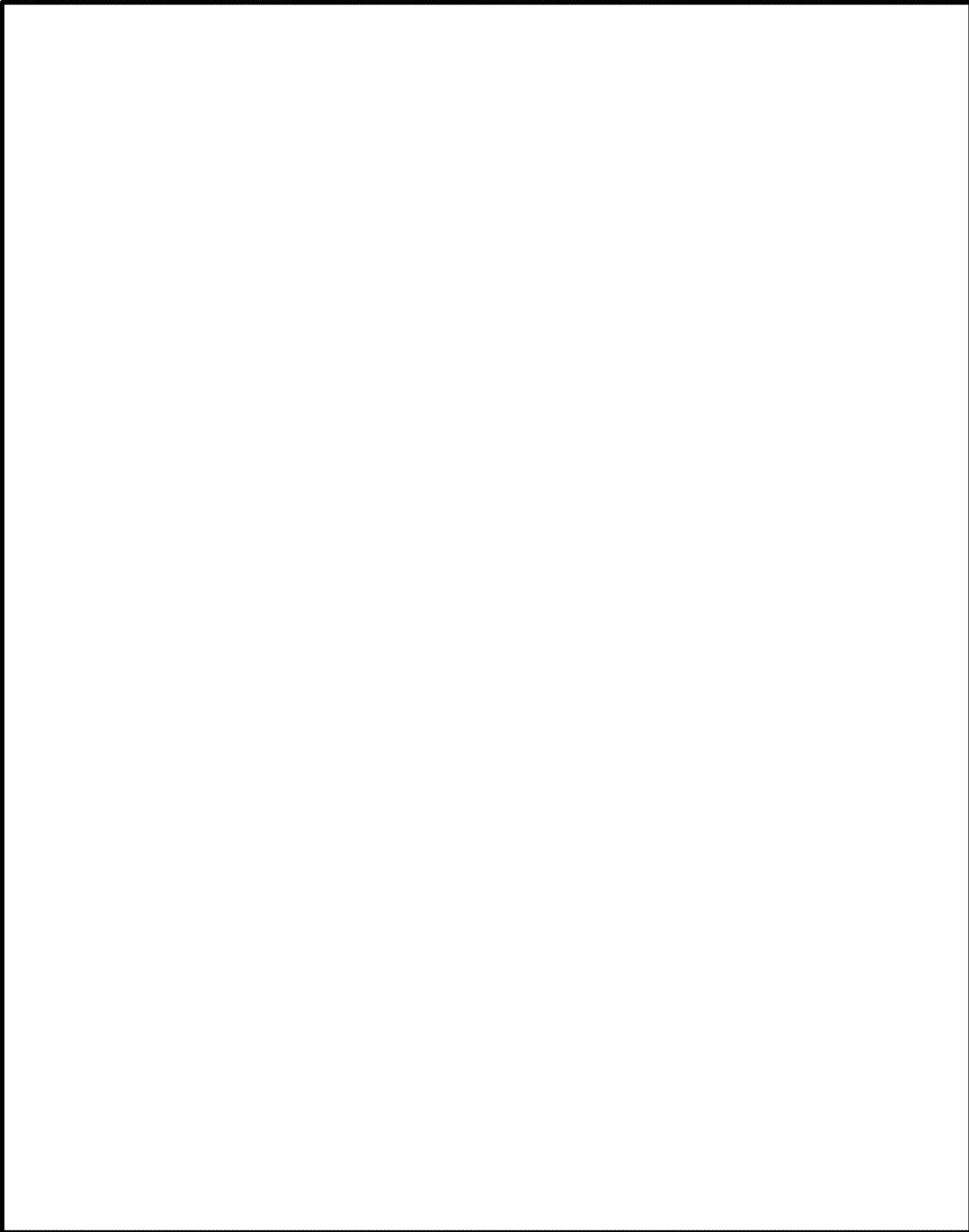
Mr. Filipovitz has a Bachelor of Science in Finance from Miami University of Ohio and an MBA from the University of Notre Dame.

# **EXHIBIT A**

## **DETAILED PRESENTATION OF SCM'S SUMMARY FINANCIAL TEMPLATE**

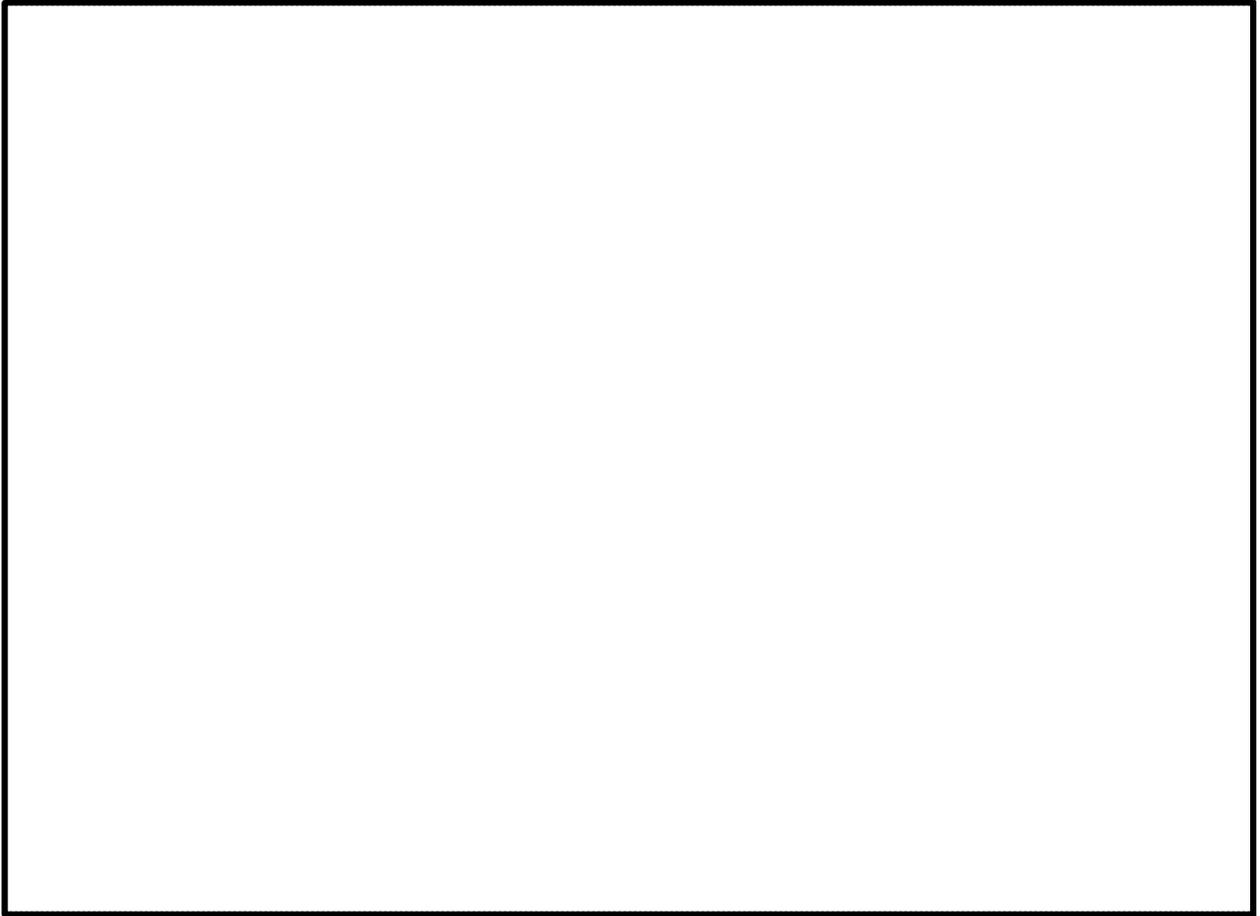
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**Figure 1: Campus Operating Financials**



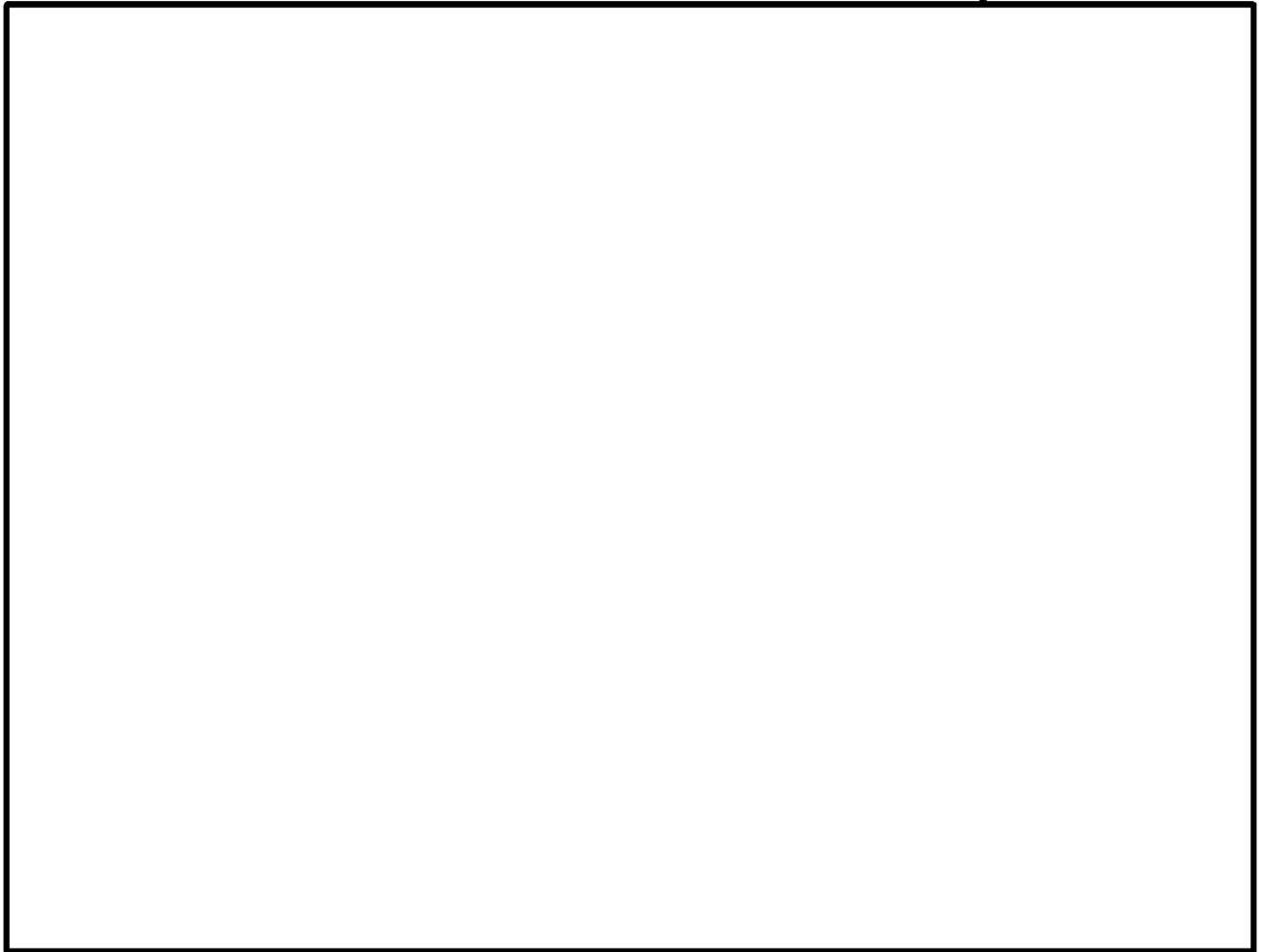
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**Figure 2: Year One Consolidating Operating Results WITHOUT Incremental Hospital Growth**



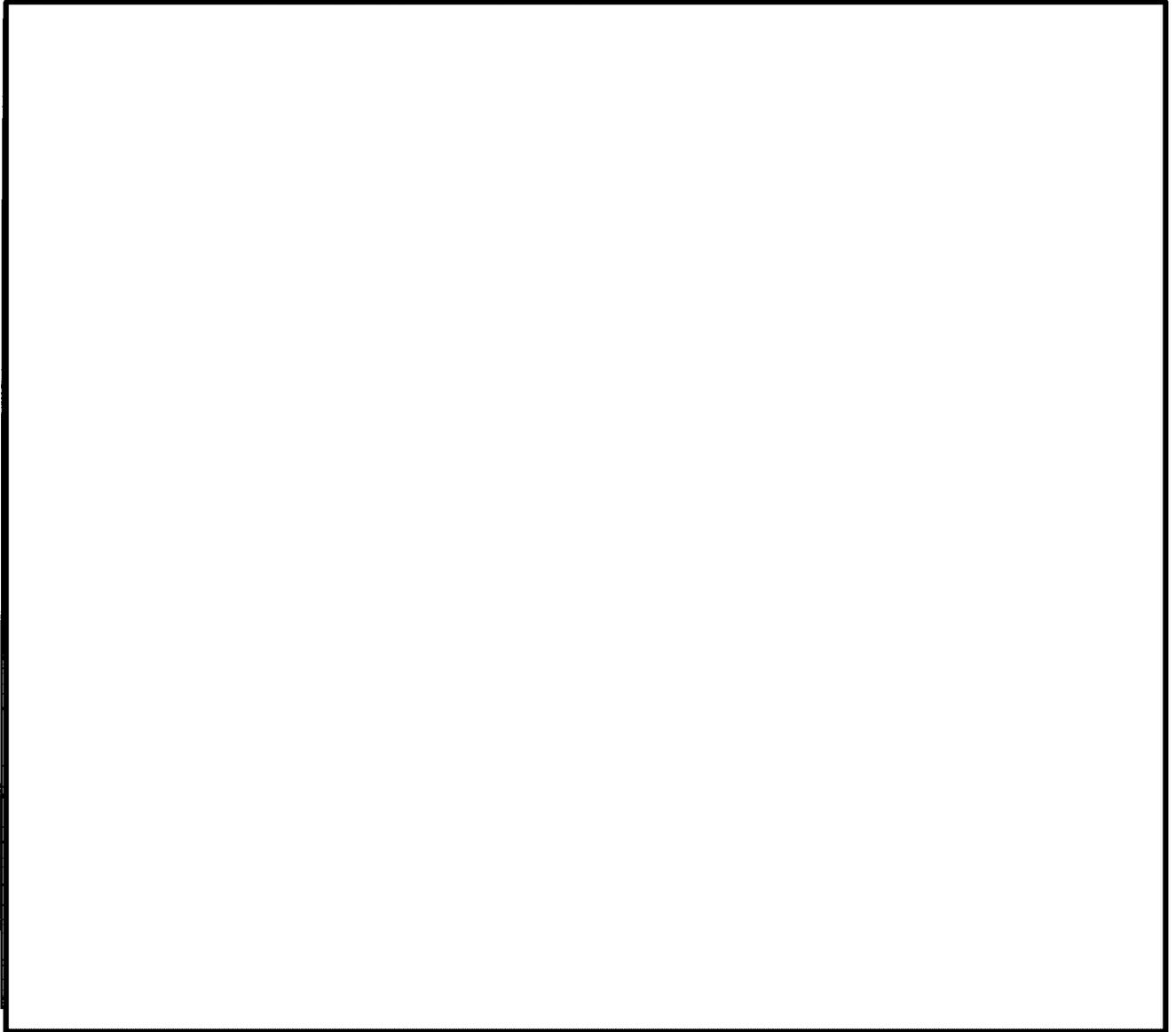
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**Figure 3: Year One Consolidating Operating Results WITH Incremental Hospital Growth**



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**Figure 4: Consolidating Hospital Operating Results**



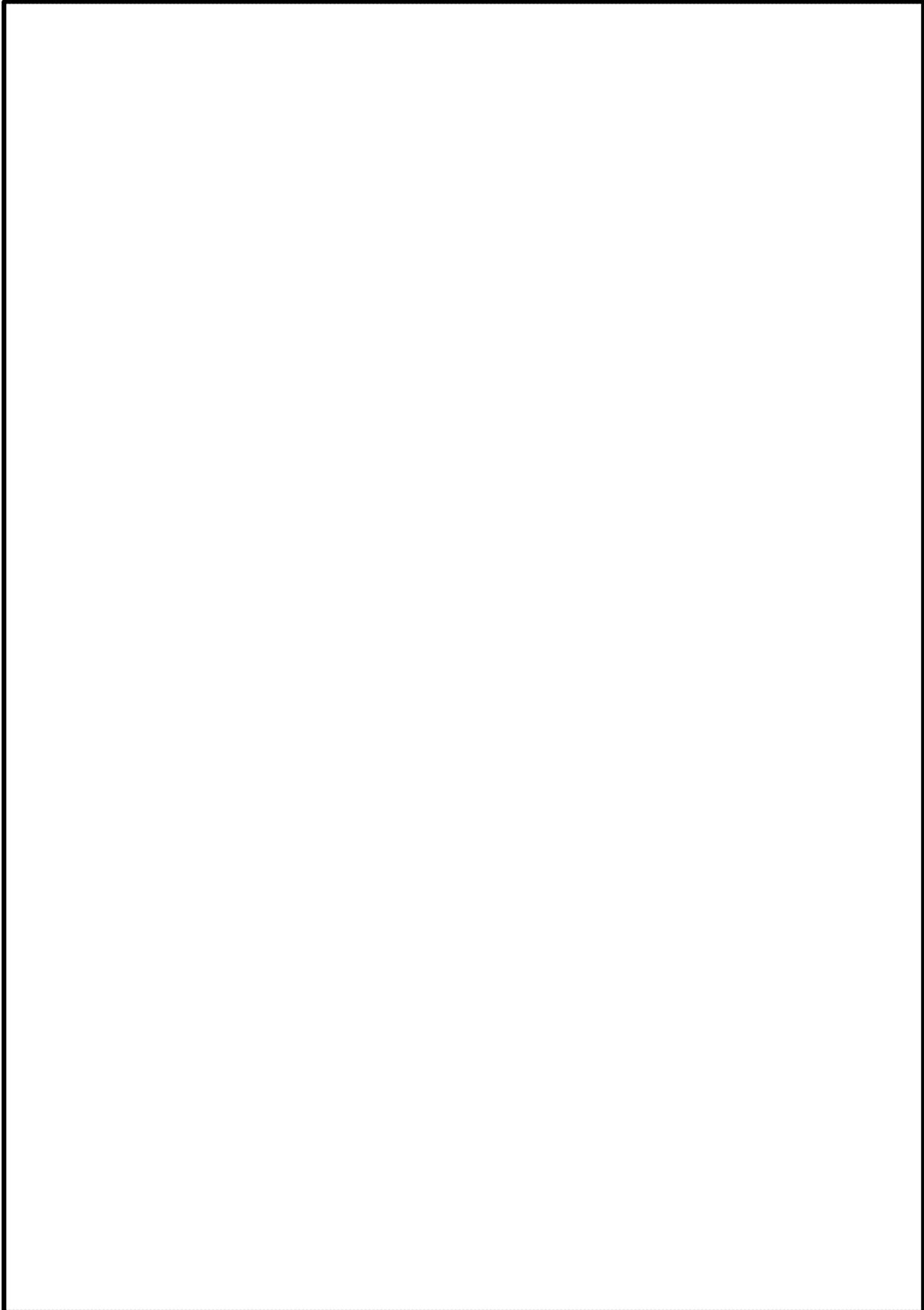
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**Figure 5: Baseline Hospital Budget**



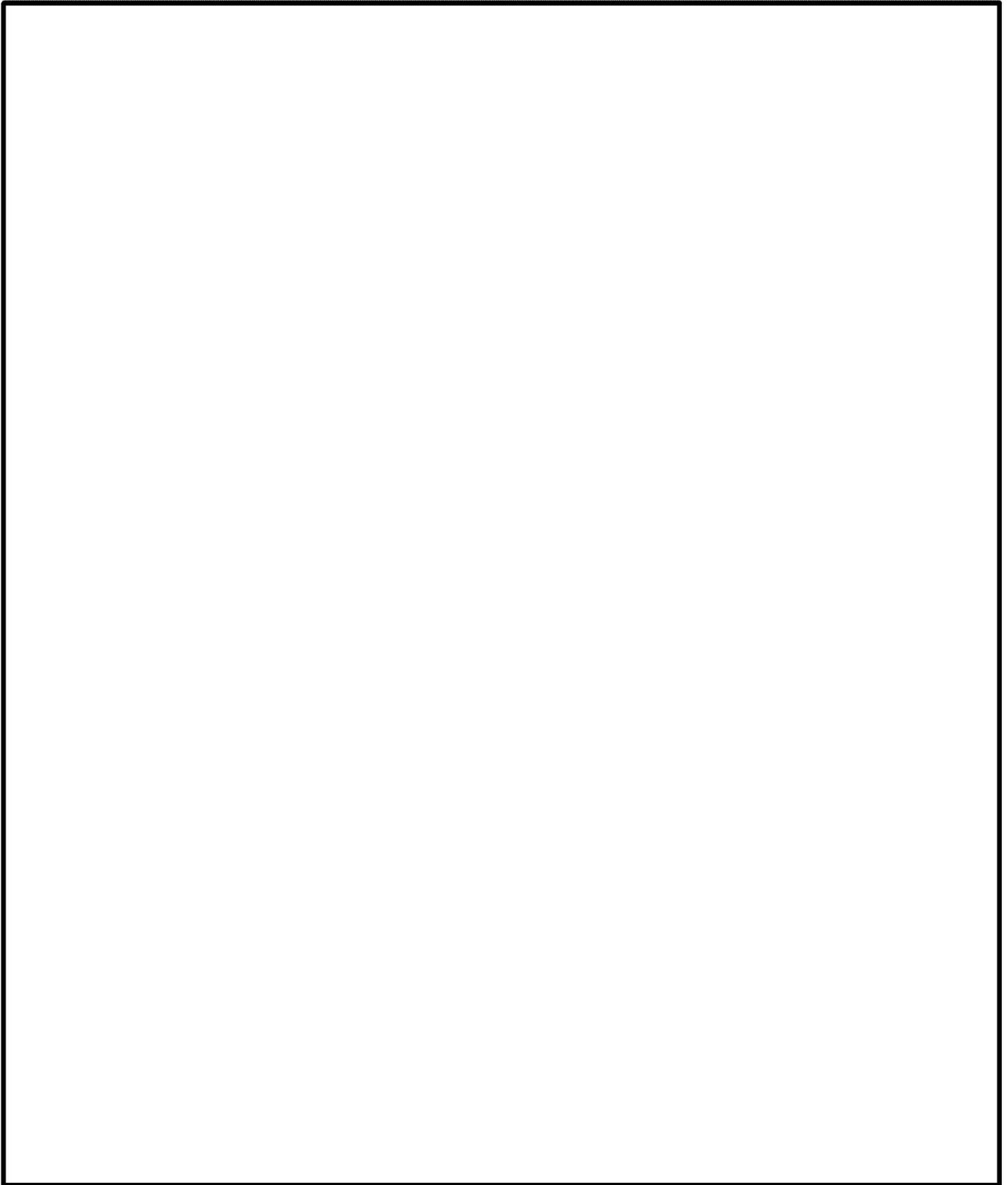
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**Figure 6: Hospital Payer Info and Revenue Mix**



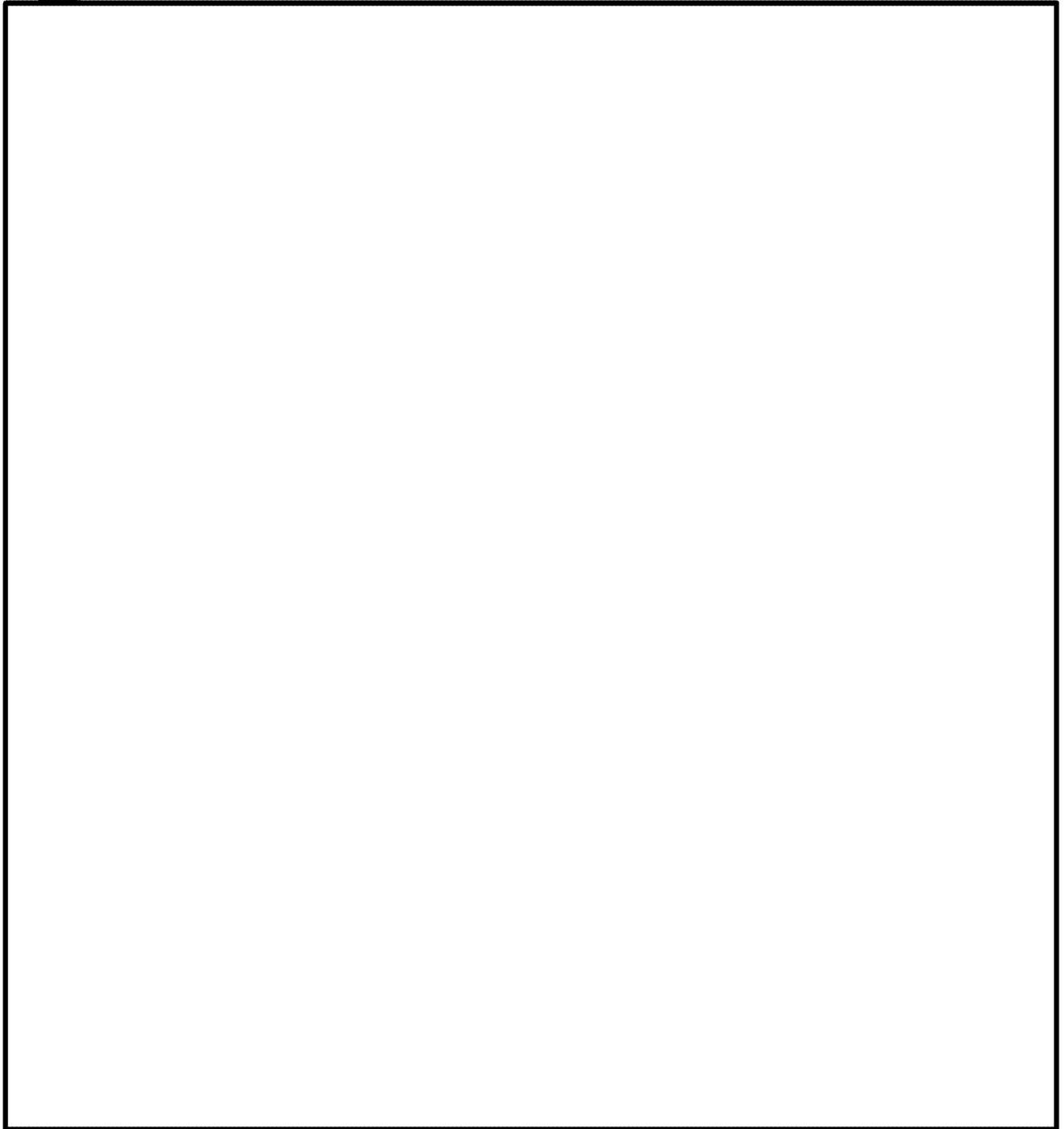
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**Figure 7: Holdco Operating Results**



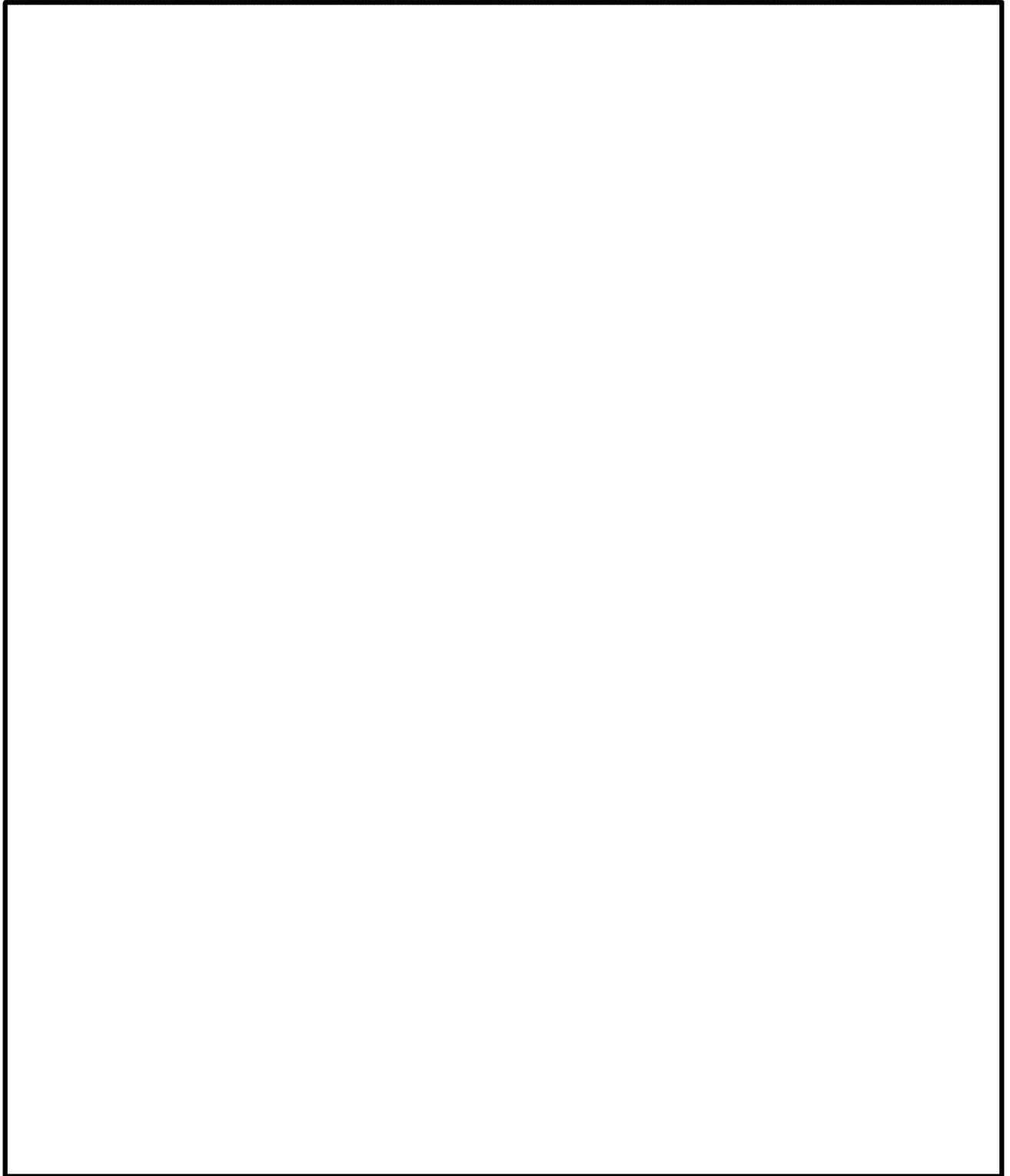
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**Figure 8: Hospital Operating Results**



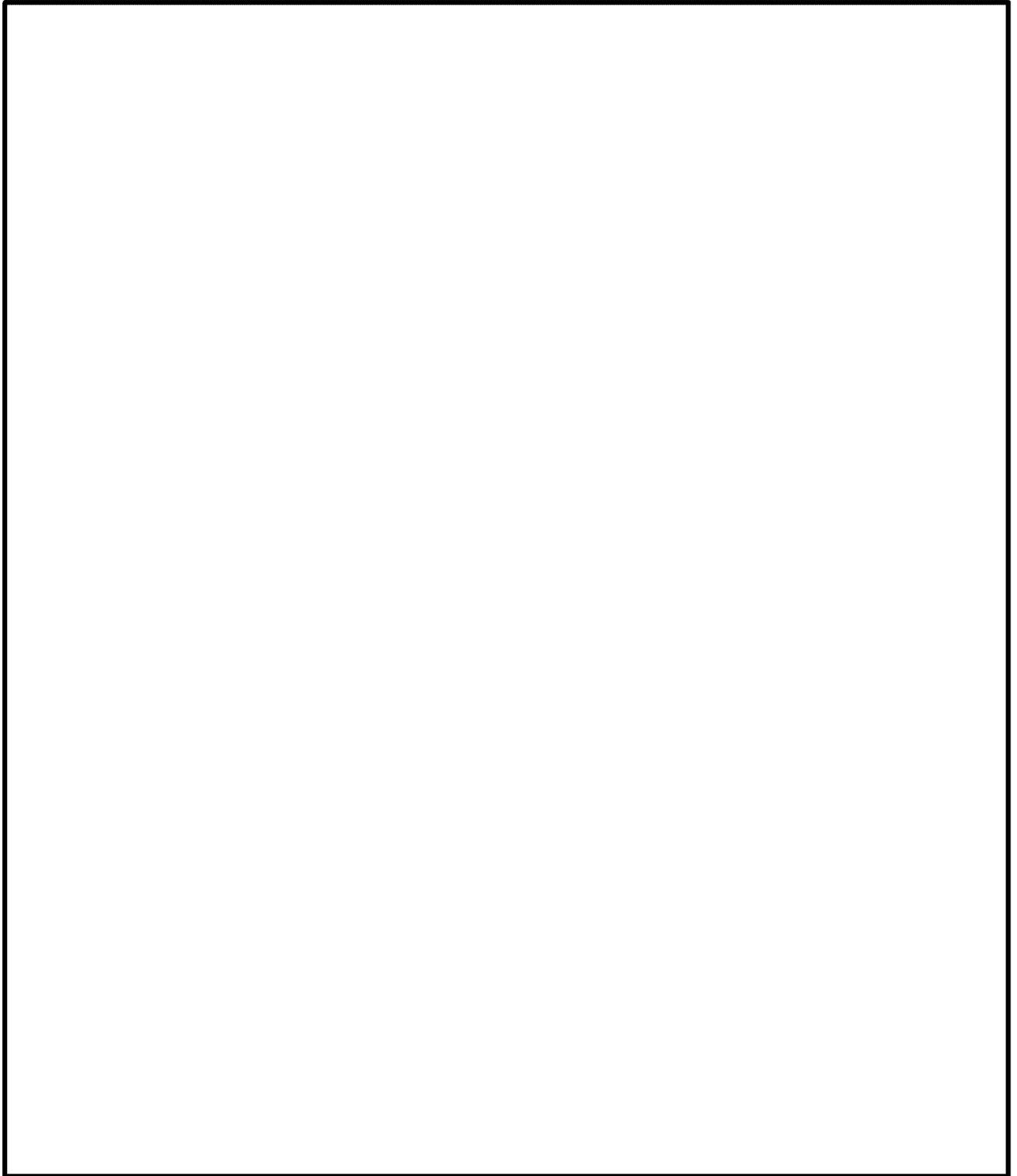
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**Figure 9: Retail Operating Results**



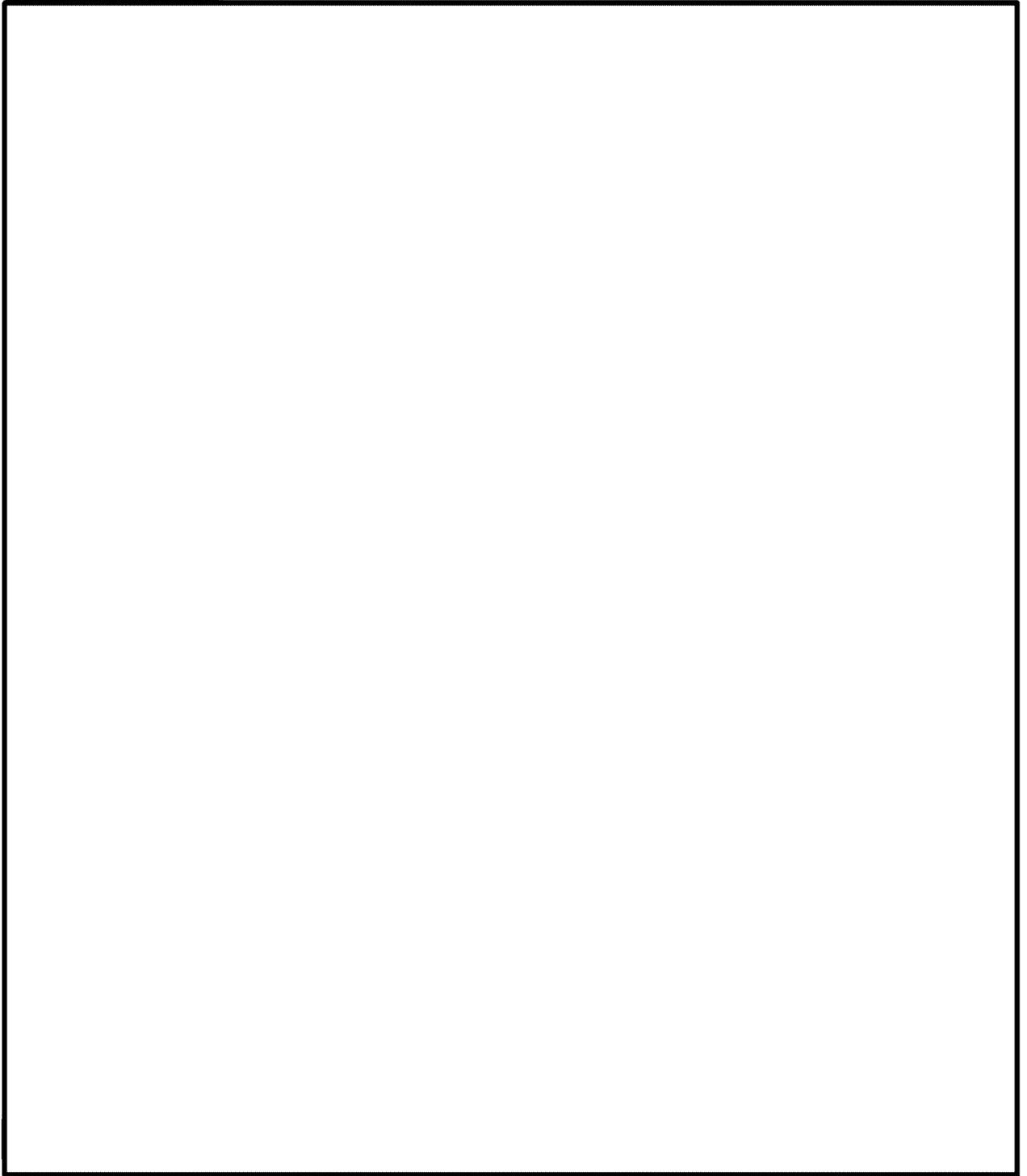
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**Figure 10: Daycare Operating Results**



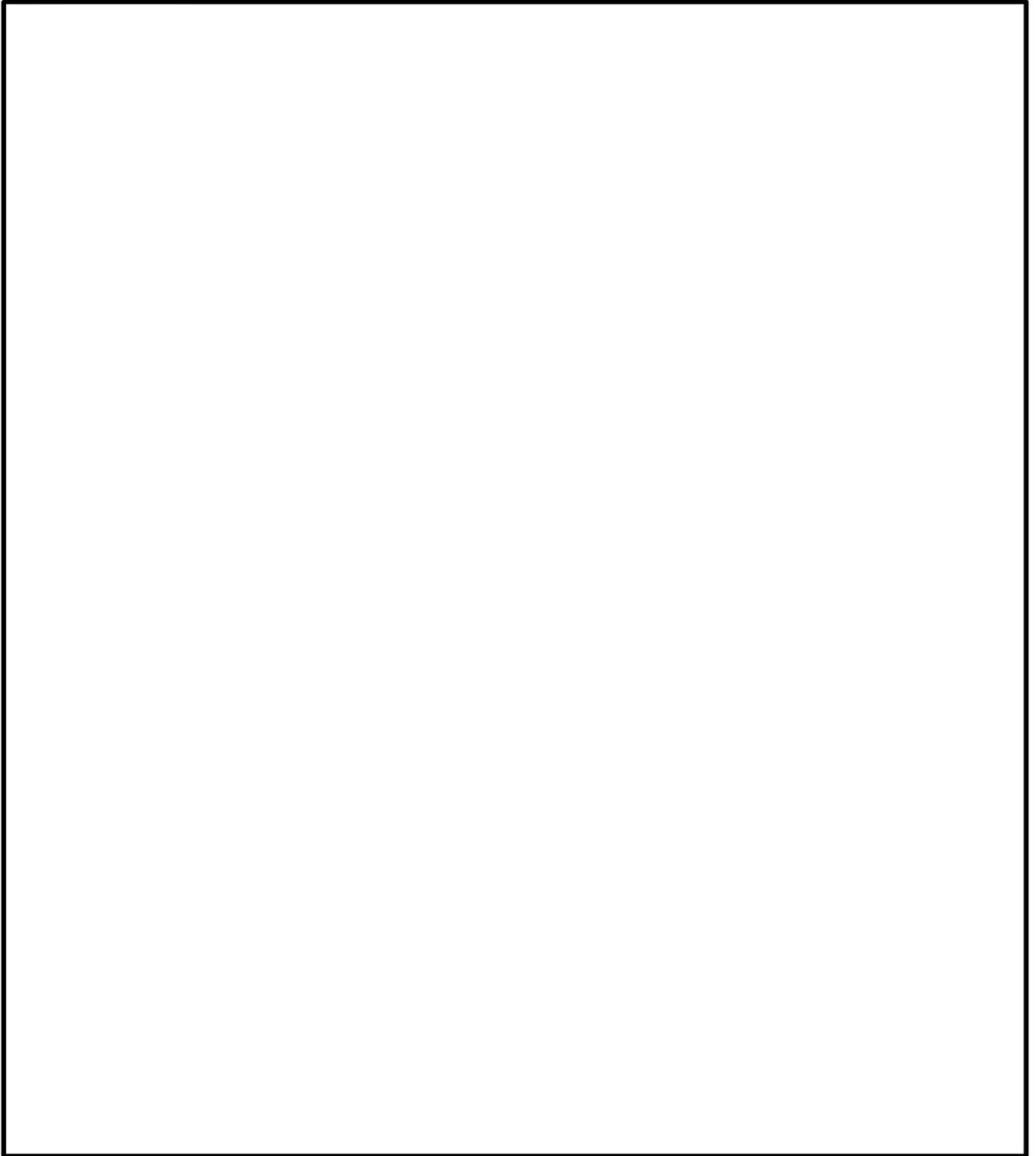
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**Figure 11: Education Operating Results**



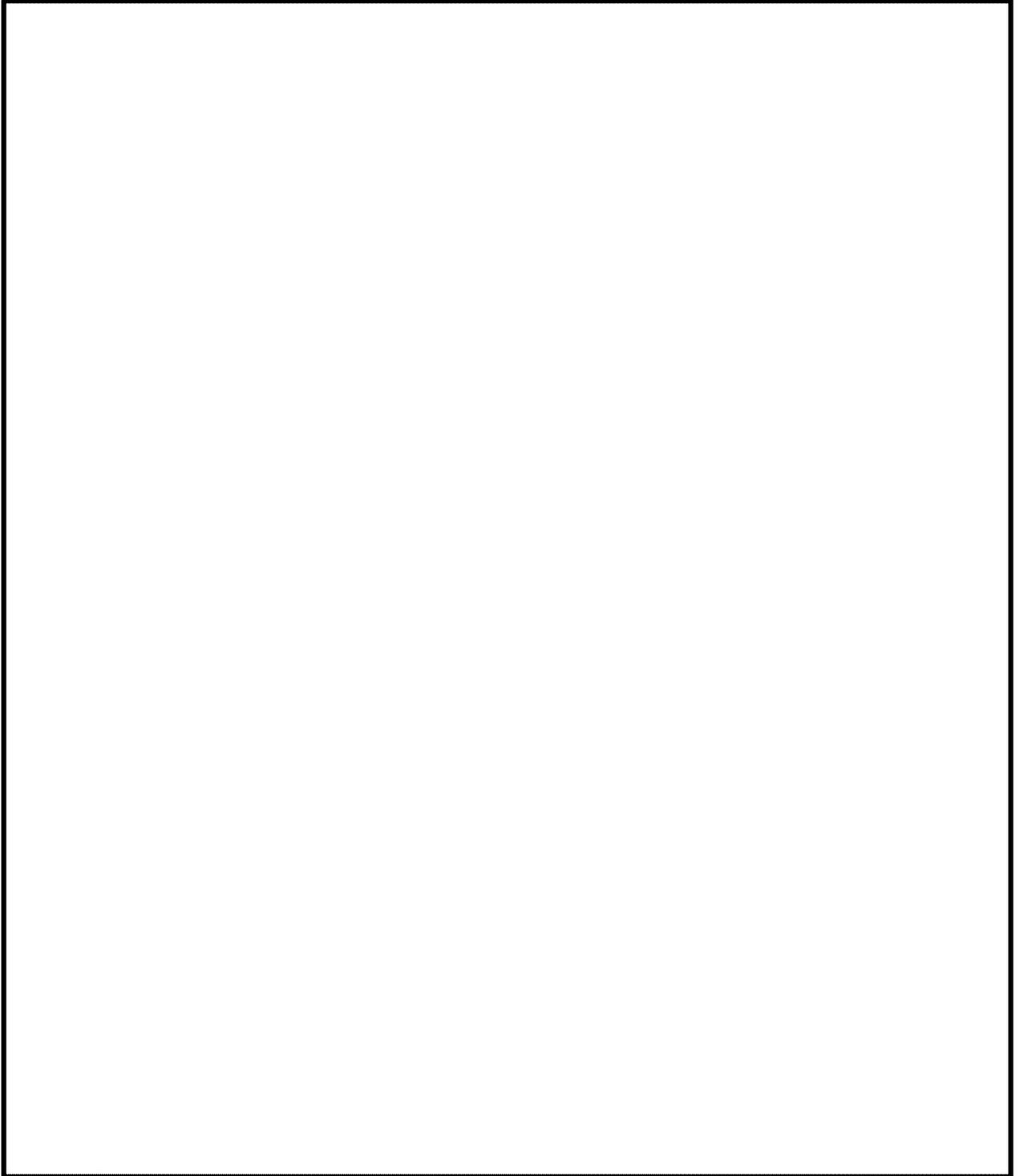
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**Figure 12: Hospitality Operating Results**



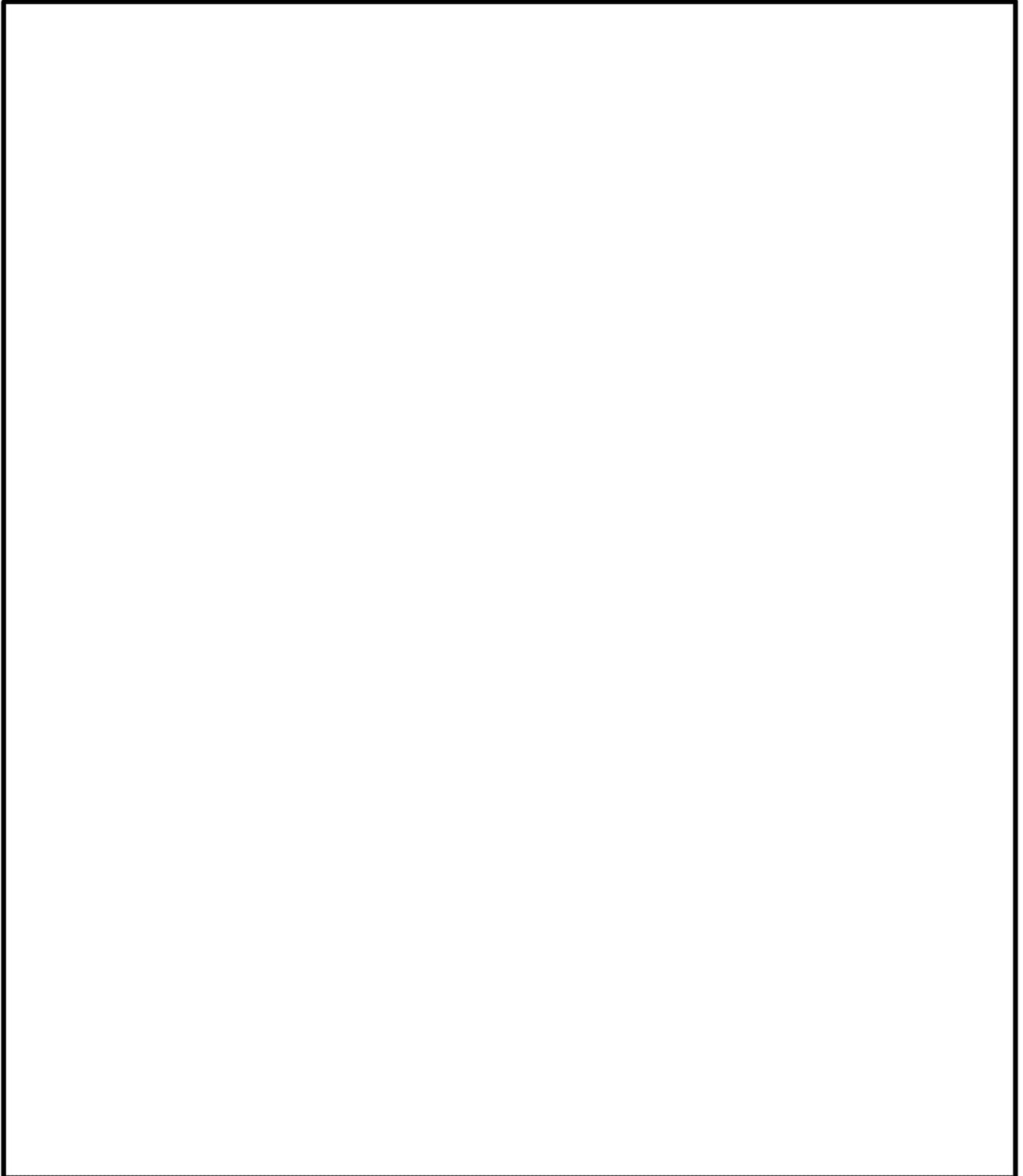
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**Figure 13: Common Space Operating Results**



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**Figure 14: Parking Operating Results**





*Appendix E – Executive Summary – Feasibility/Developmental Analysis of Local Point prepared by Jerold Panas Linzy & Partners*

# JEROLD PANAS, LINZY & PARTNERS

Guy A. Medaglia, Chief Executive Officer  
Elizabeth C. Vernick, Vice President and Chief Development Officer  
Saint Anthony Hospital  
2875 West 19th Street  
Chicago, Illinois 60623

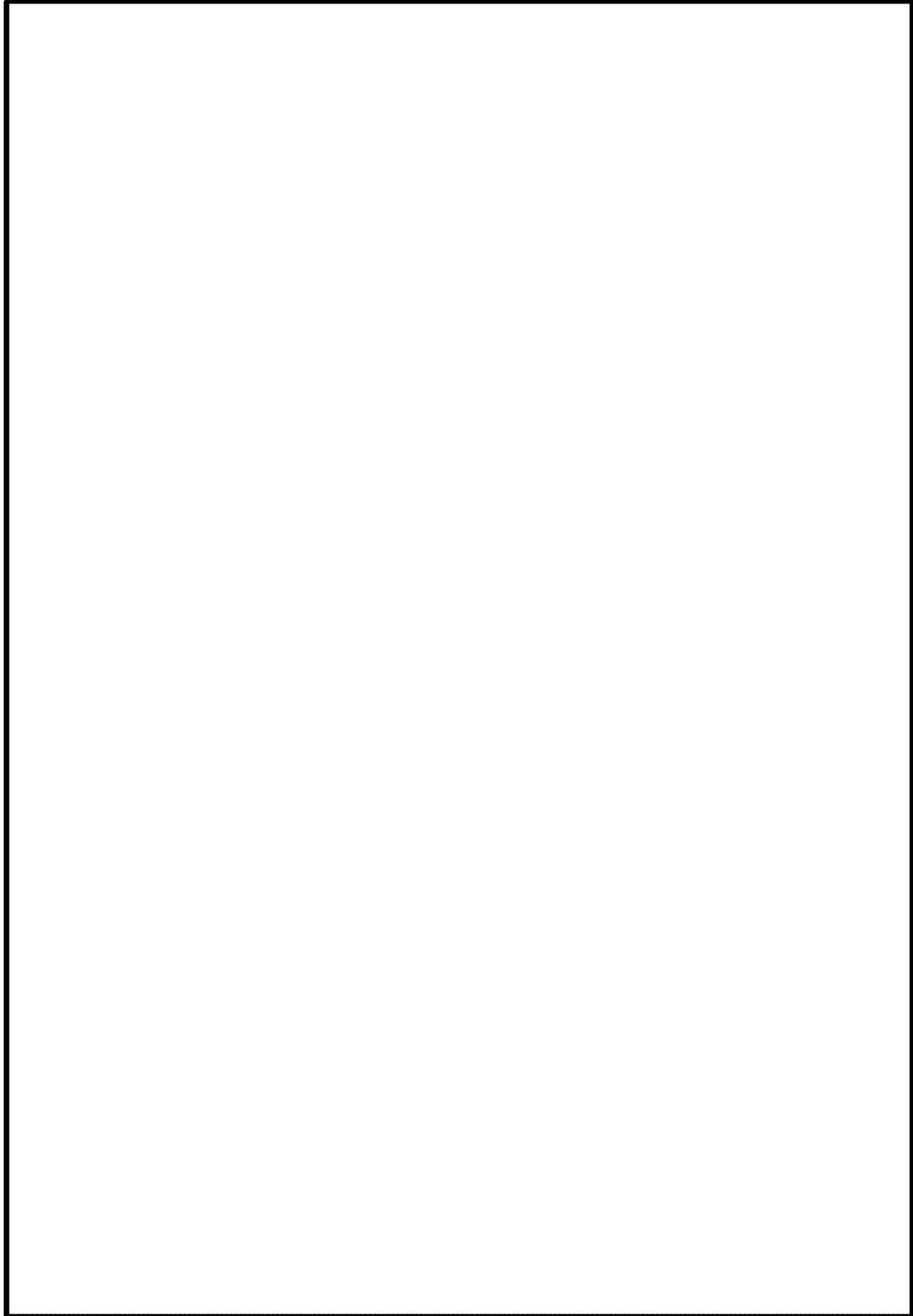
Dear Mr. Medaglia and Ms. Vernick:

This is the *Executive Summary* you requested of our findings and recommendations set forth in our complete *Report* that contained the results of a *Feasibility/Developmental Analysis* performed by our firm during the period July 28 – November 14, 2011. We prepared this *Summary* in anticipation of assisting you in the presentation of your case for community support, major gift and grant funding, property acquisition, and the recruitment of leadership for the development of the Community Campus project over the next several months.

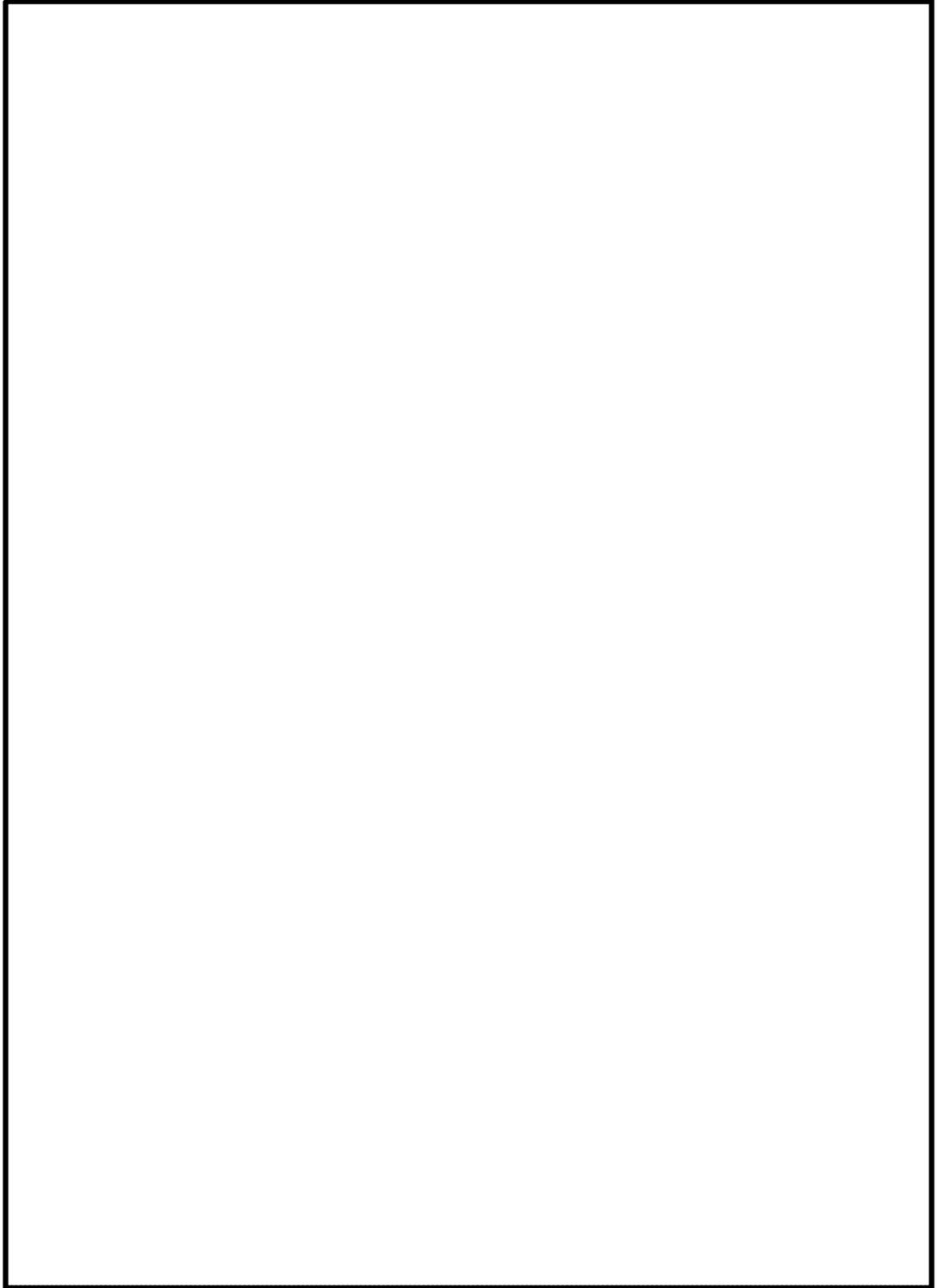
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**WHAT WILL SAINT ANTHONY ACCOMPLISH?** Saint Anthony Hospital

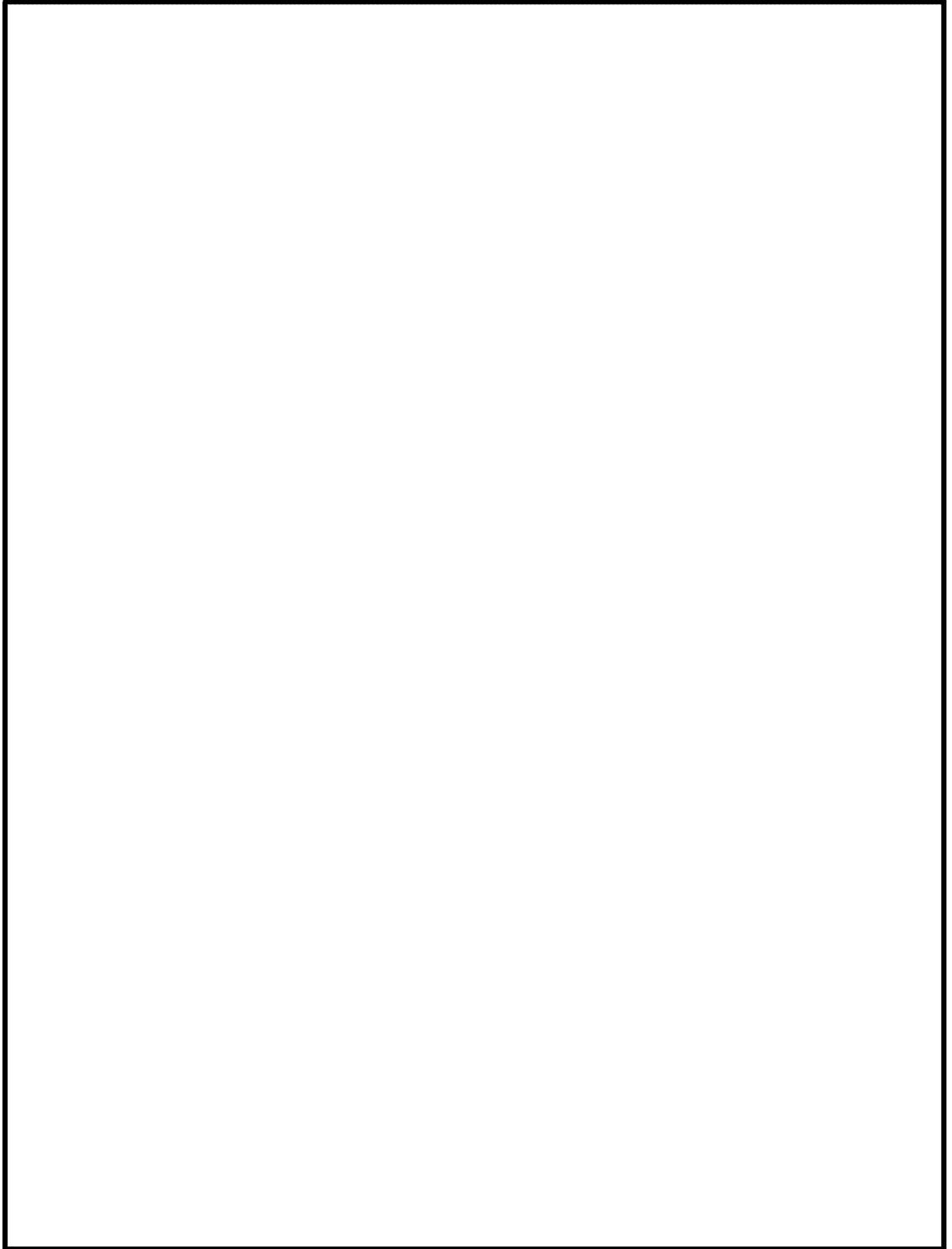
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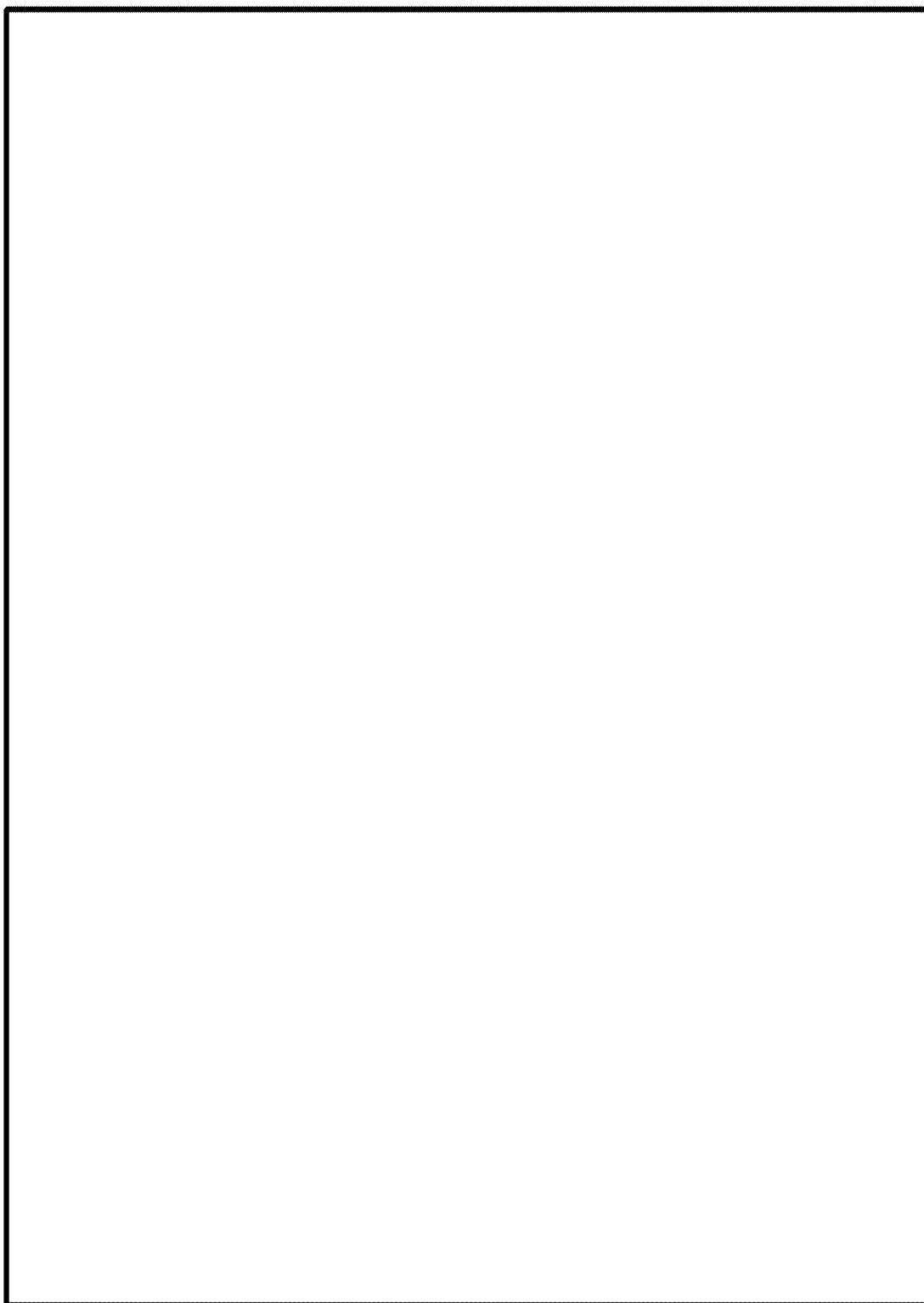


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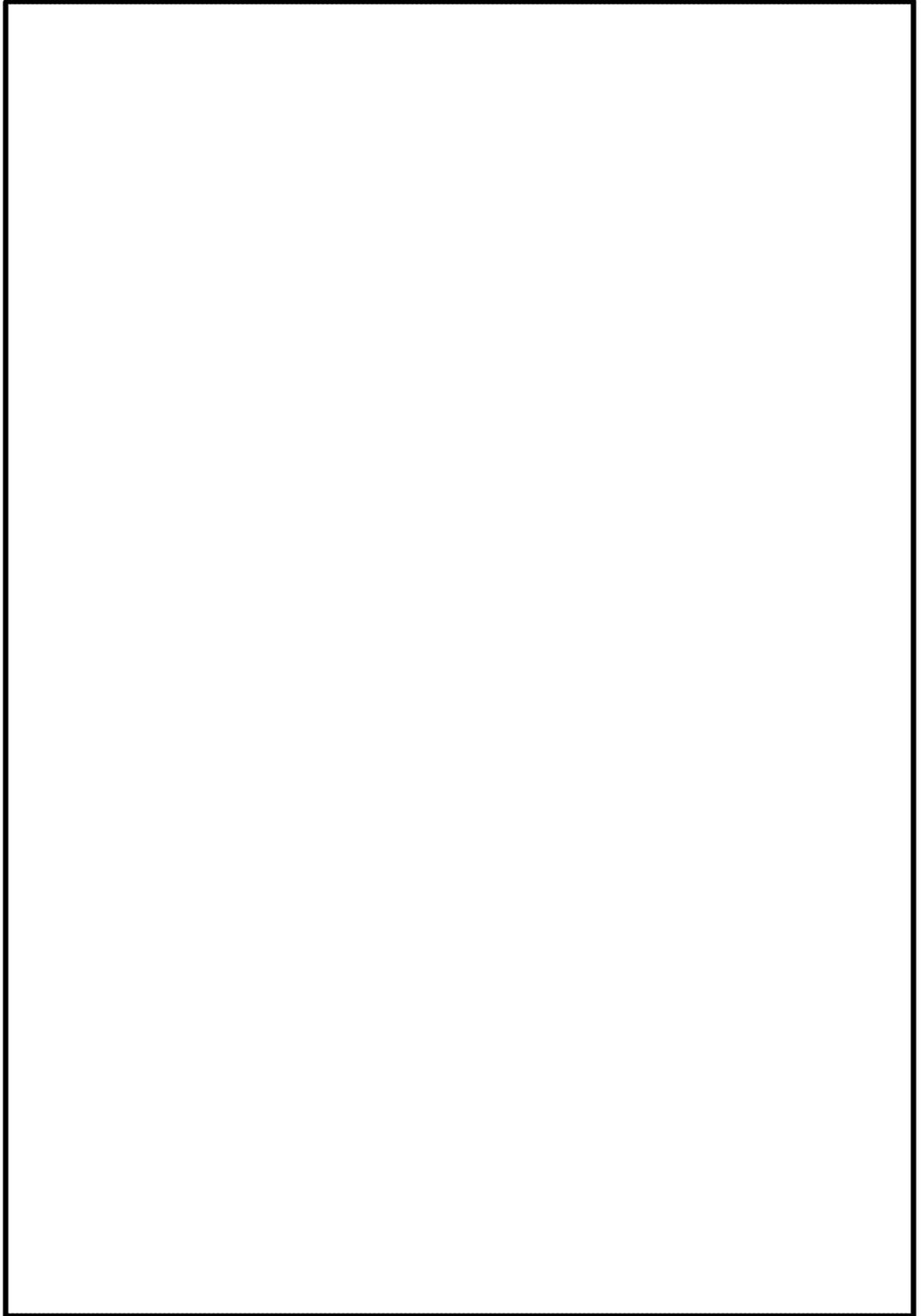


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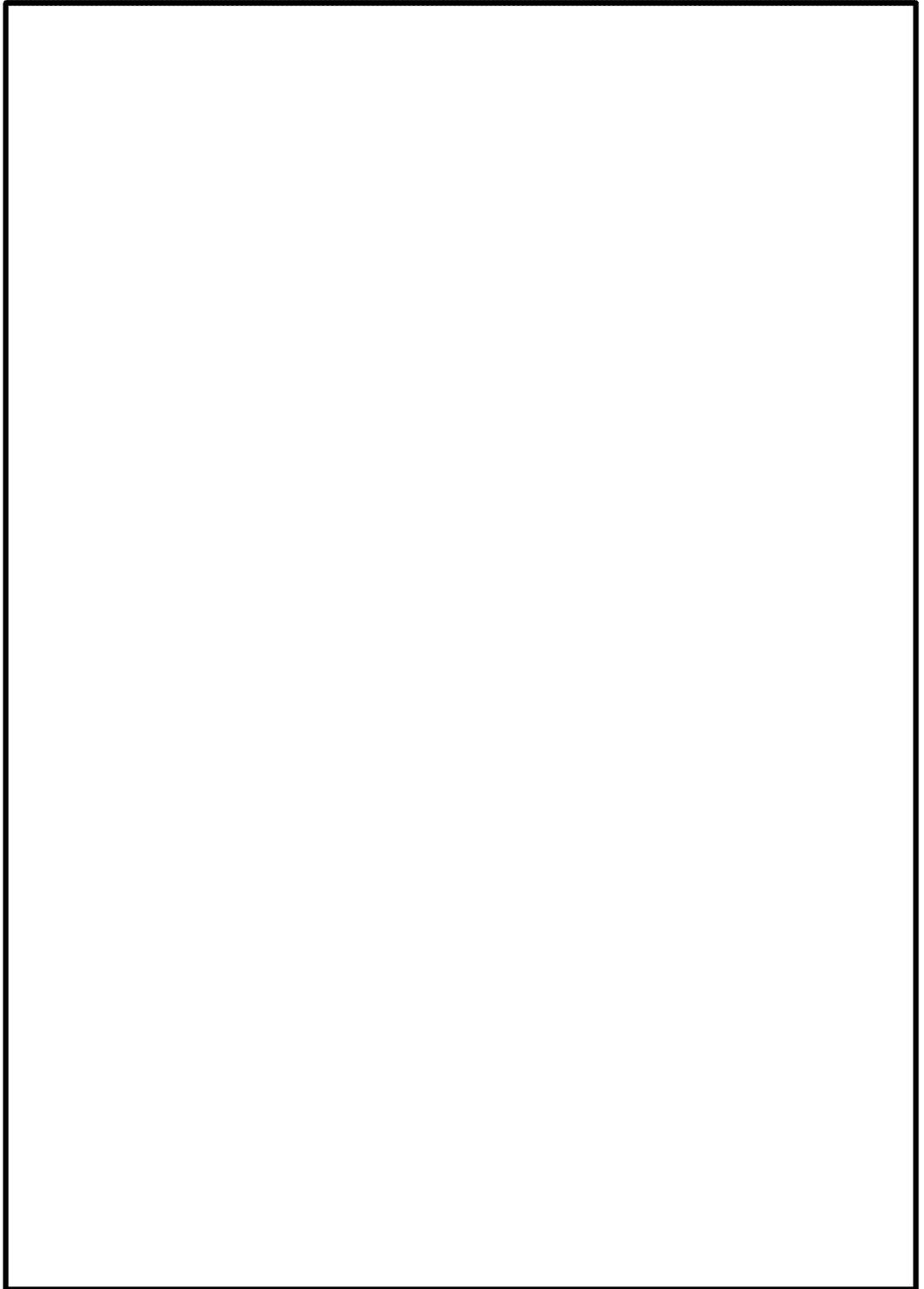


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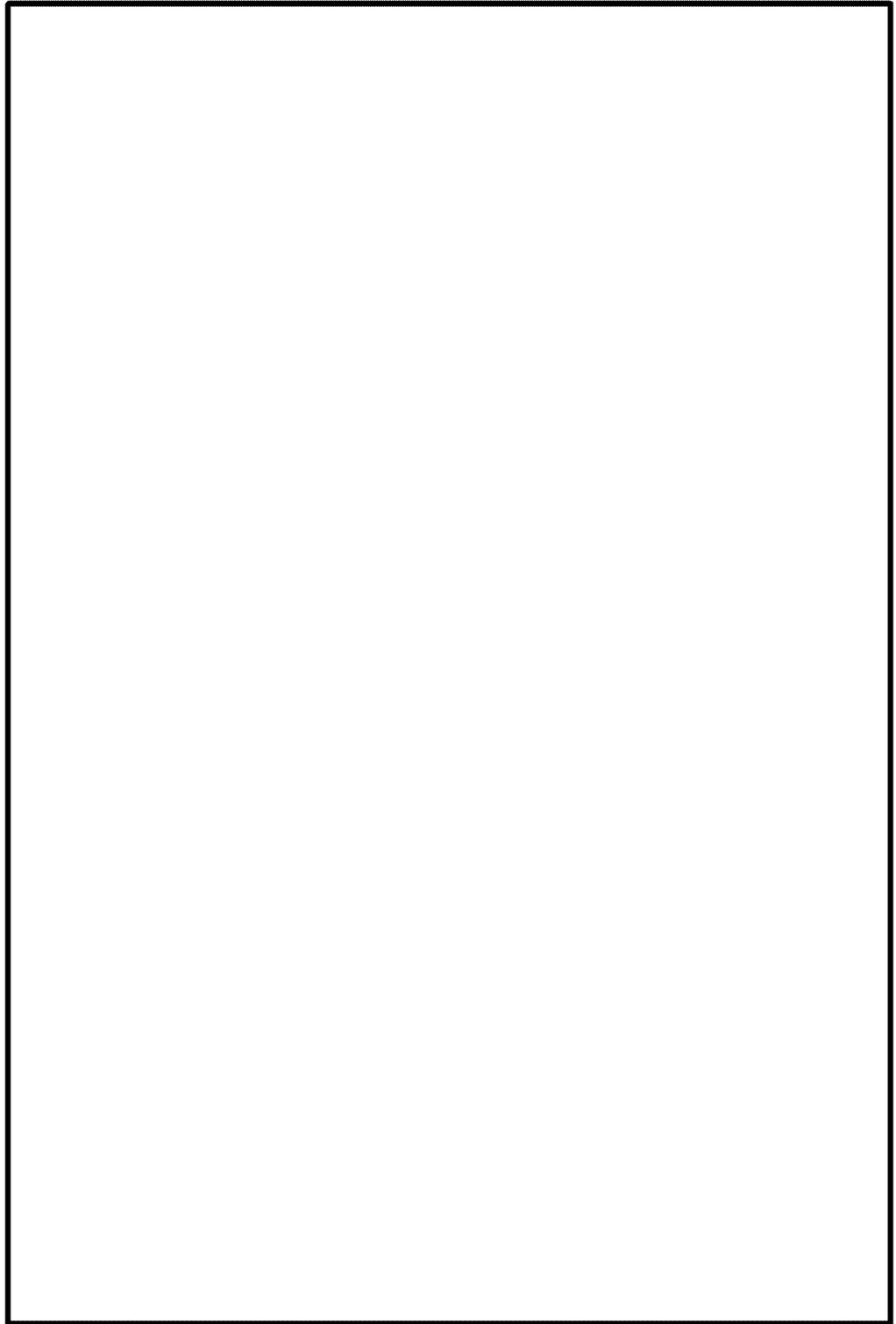
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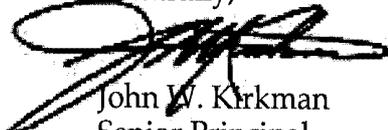


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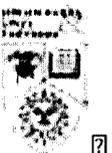


We continue to be proud to be a partner with you in this engagement.

Faithfully,



John W. Kirkman  
Senior Principal





**Campaign Plan**

**January 2013**



## Table of Contents

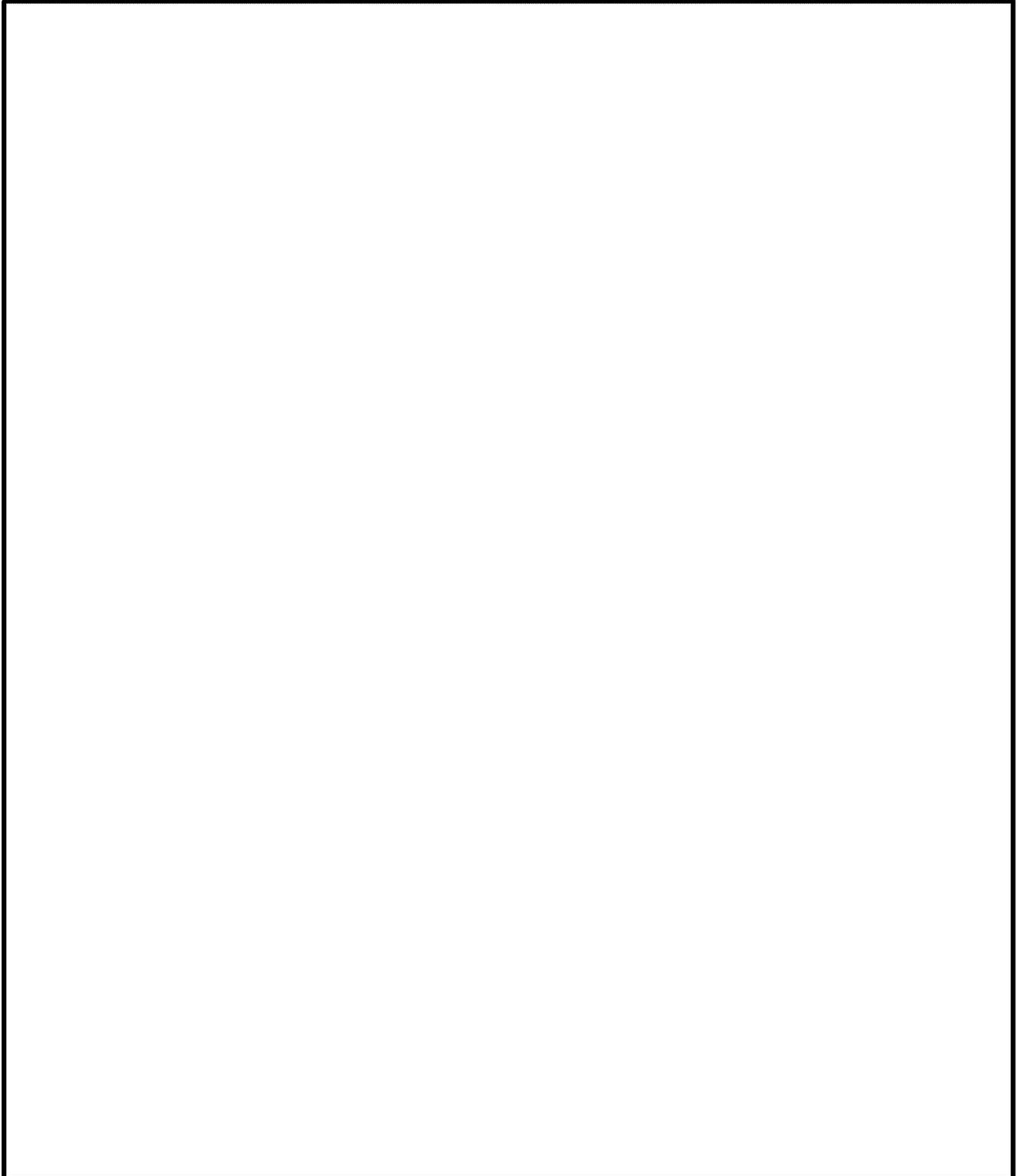
<b>I. Campaign Overview</b> <i>Campaign Overview</i> <i>Campaign Phasing Timeline</i> <i>Phase Goals</i>	<b>V. Campaign Prospects</b> <i>Solicitation Pipeline Chart</i> <i>Prospect Report</i> <i>Prospect Rating Grid</i>
<b>II. Campaign Timeline</b> <i>Campaign Activity Timeline</i> <i>Key Constituents – 30 Month Timeline</i> <i>Five Month Work Plan</i>	<b>VI. Campaign Internal Reporting</b> <i>Prospect Activity Report</i> <i>Development Activity Report</i> <i>Portfolio Management Report</i>
<b>III. Campaign Goal Dashboards</b> <i>Campaign Dashboard</i> <i>Sources Chart of Support Chart</i> <i>Gift Pyramid</i> <i>Prospect Pipeline Report</i>	<b>VII. Infrastructure</b> <i>Moves Management Cultivation Schedule</i> <i>Cultivation/ Solicitation Call Report</i> <i>Campaign Pledge Form</i> <i>Stewardship Strategies</i> <i>Recognition Strategies</i> <i>Campaign Budget</i> <i>Gift Policies &amp; Procedures</i> <i>Staffing Structure &amp; Recommended Actions</i>
<b>IV. Volunteer Leadership</b> <i>Campaign Organizational Chart</i> <i>Cabinet Chair/ Co-Chair Job Description</i> <i>Cabinet Member Job Description</i> <i>Campaign Cabinet Roster</i> <i>Cabinet Engagement Plan</i>	<b>VIII. Campaign Marketing</b> <i>Case</i> <i>Sample - Naming Opportunities</i>

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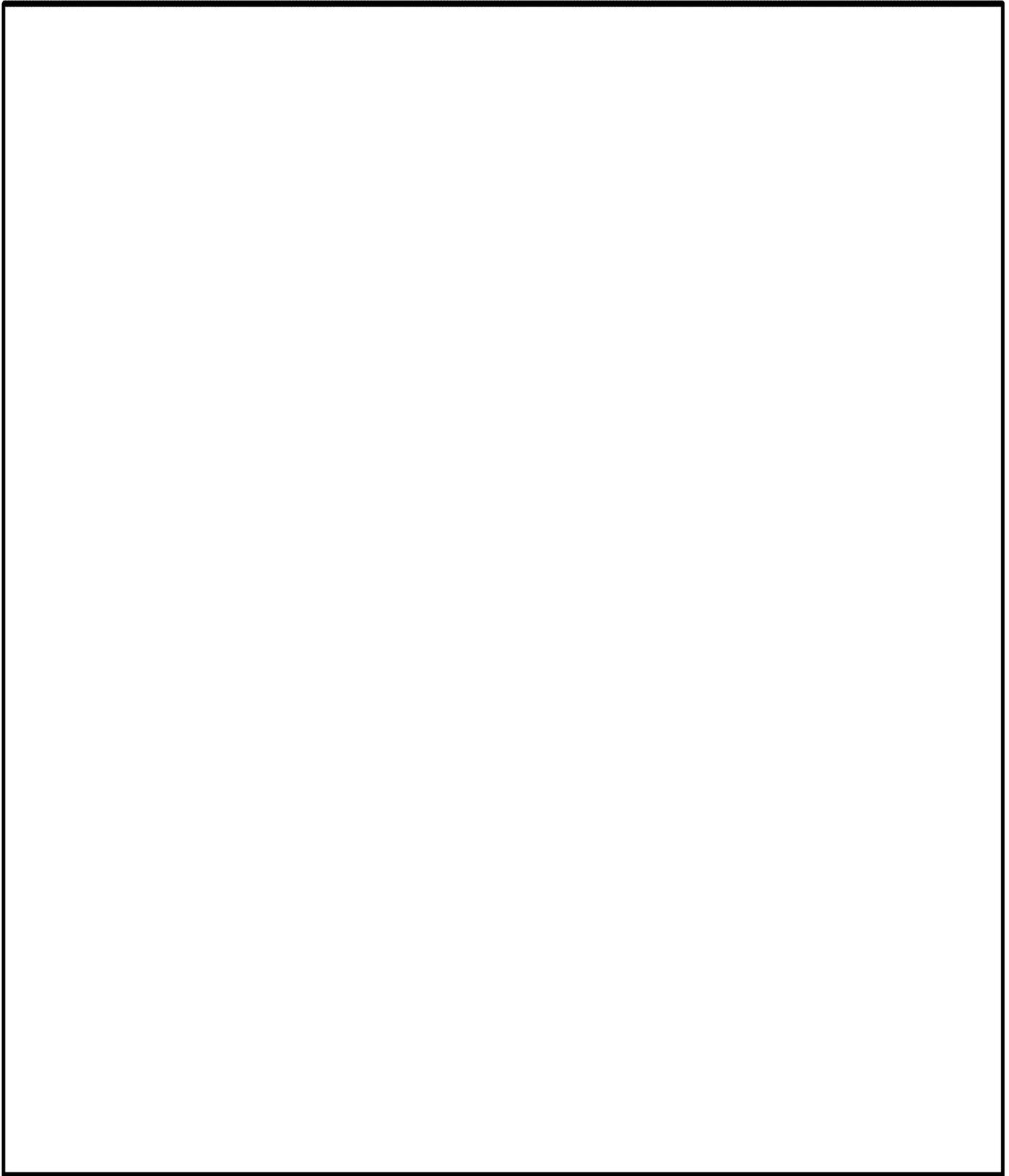
## Campaign Overview

- Chicago Southwest Development Corporation's Campaign will be comprehensive, counting Focal Point, annual and planned gifts.



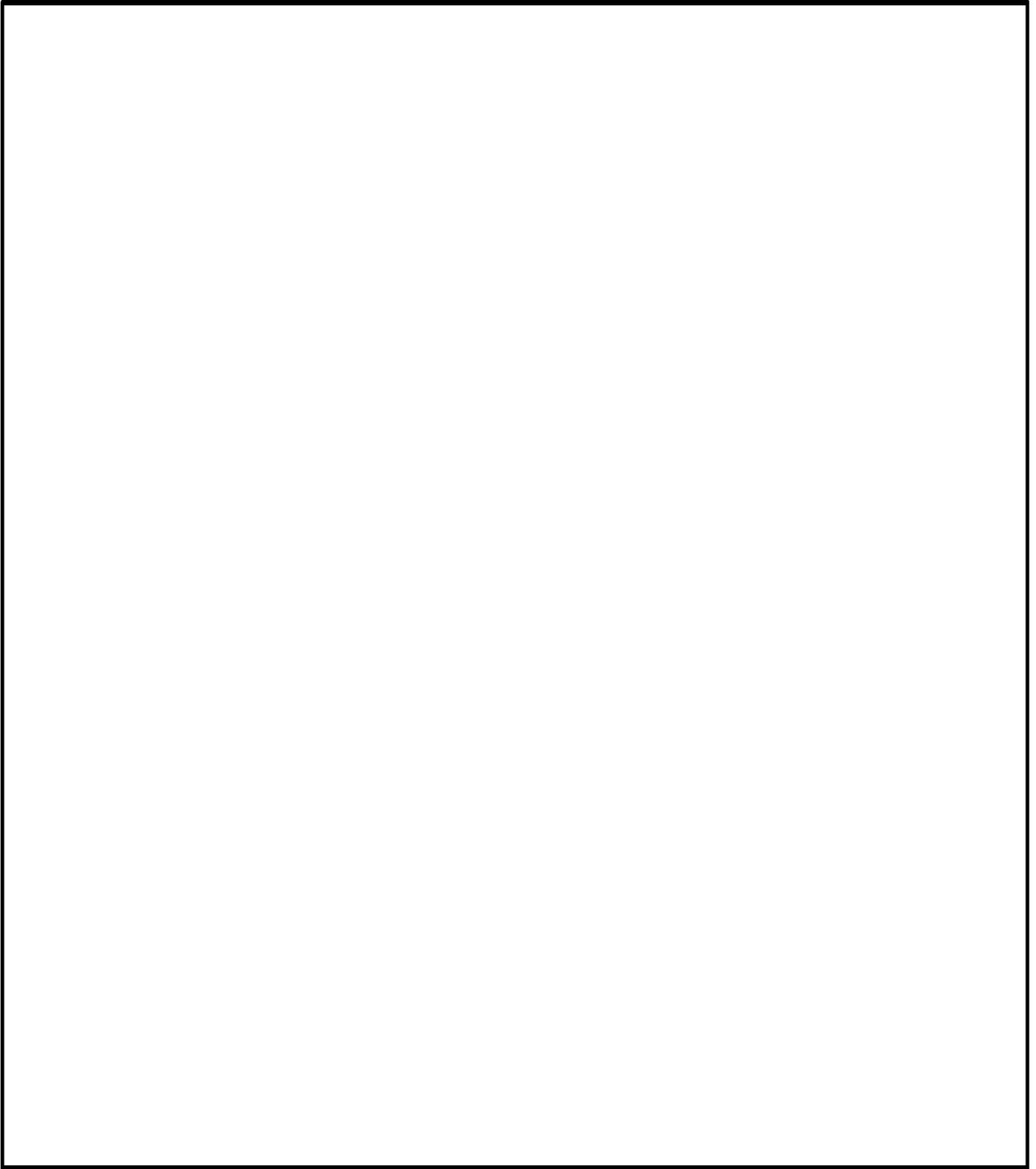
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## Campaign Phasing Timeline (60 months)



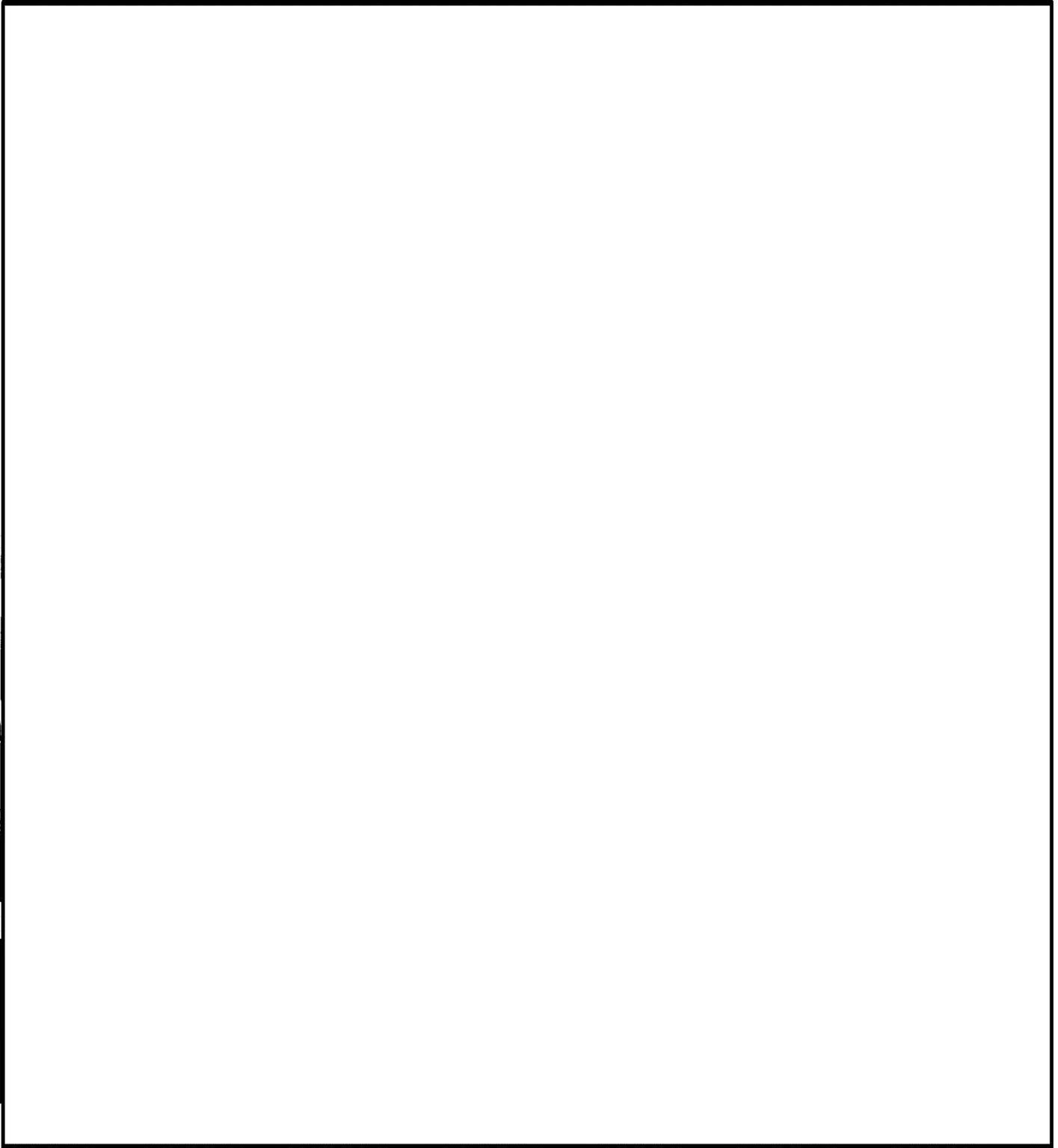
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## Phase Goals (Cumulative)



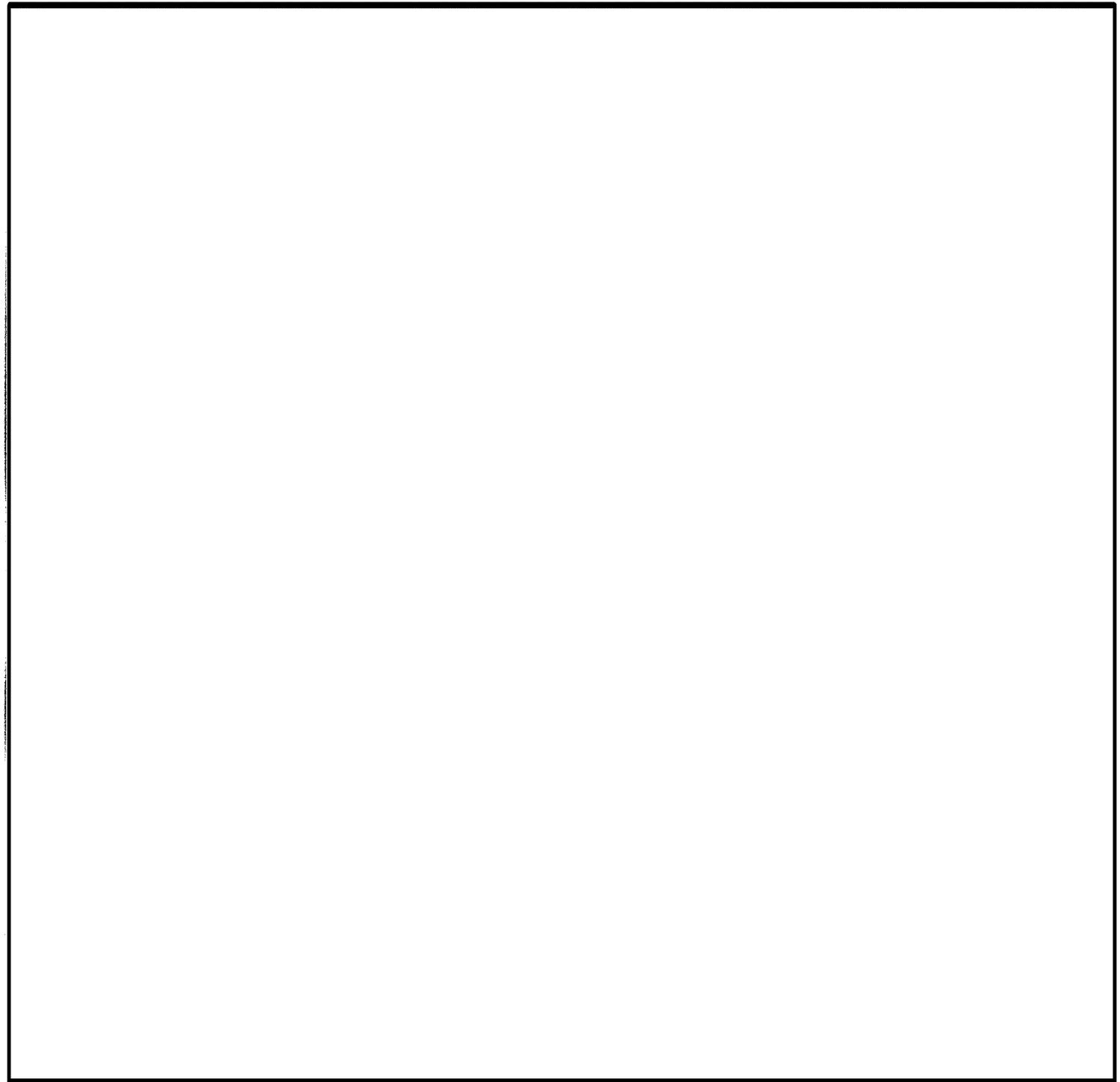
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## Campaign Activities Working 18 Month Timeline

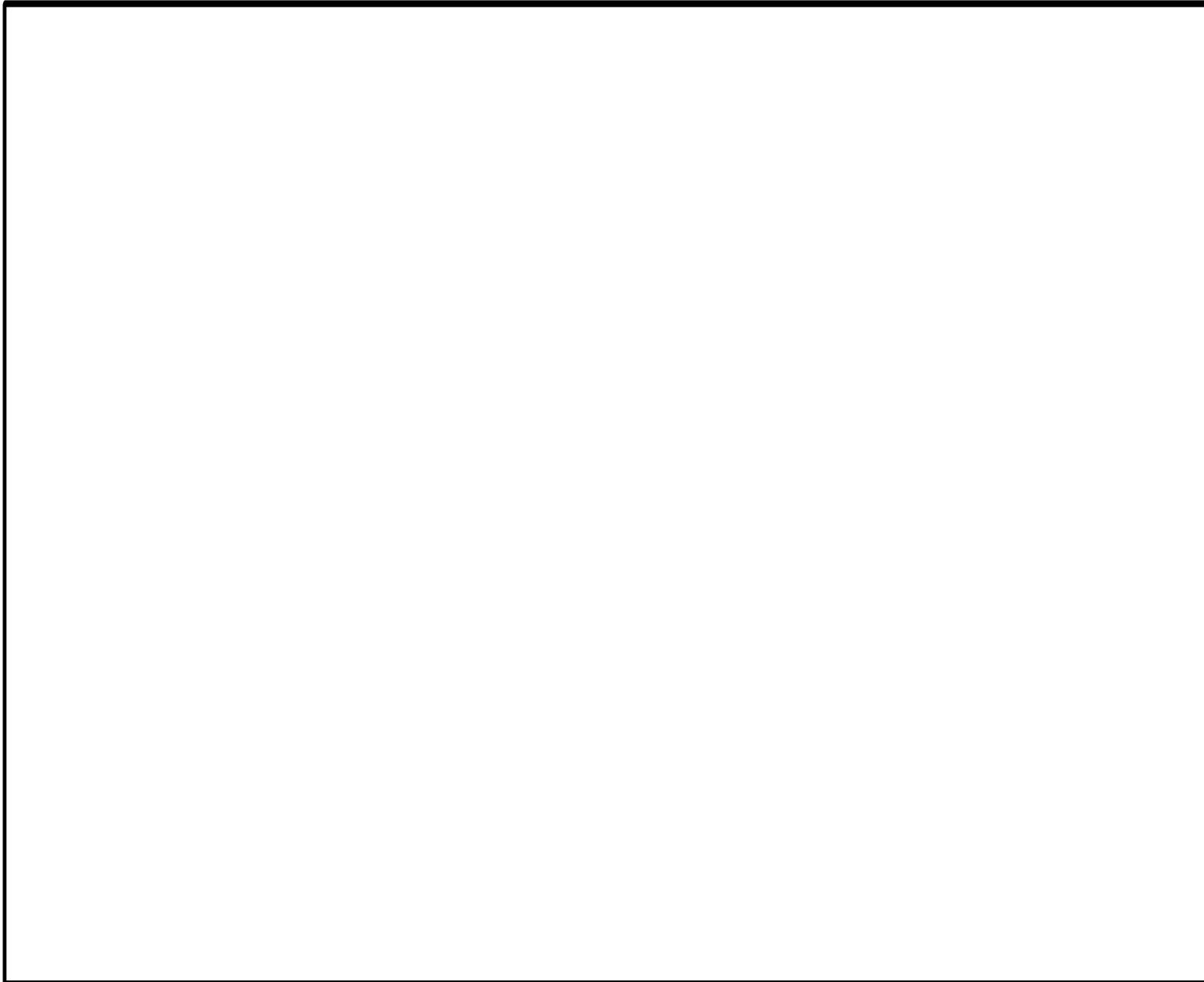


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## Key Constituencies 30 Month - Draft Timeline



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## Campaign Dashboard

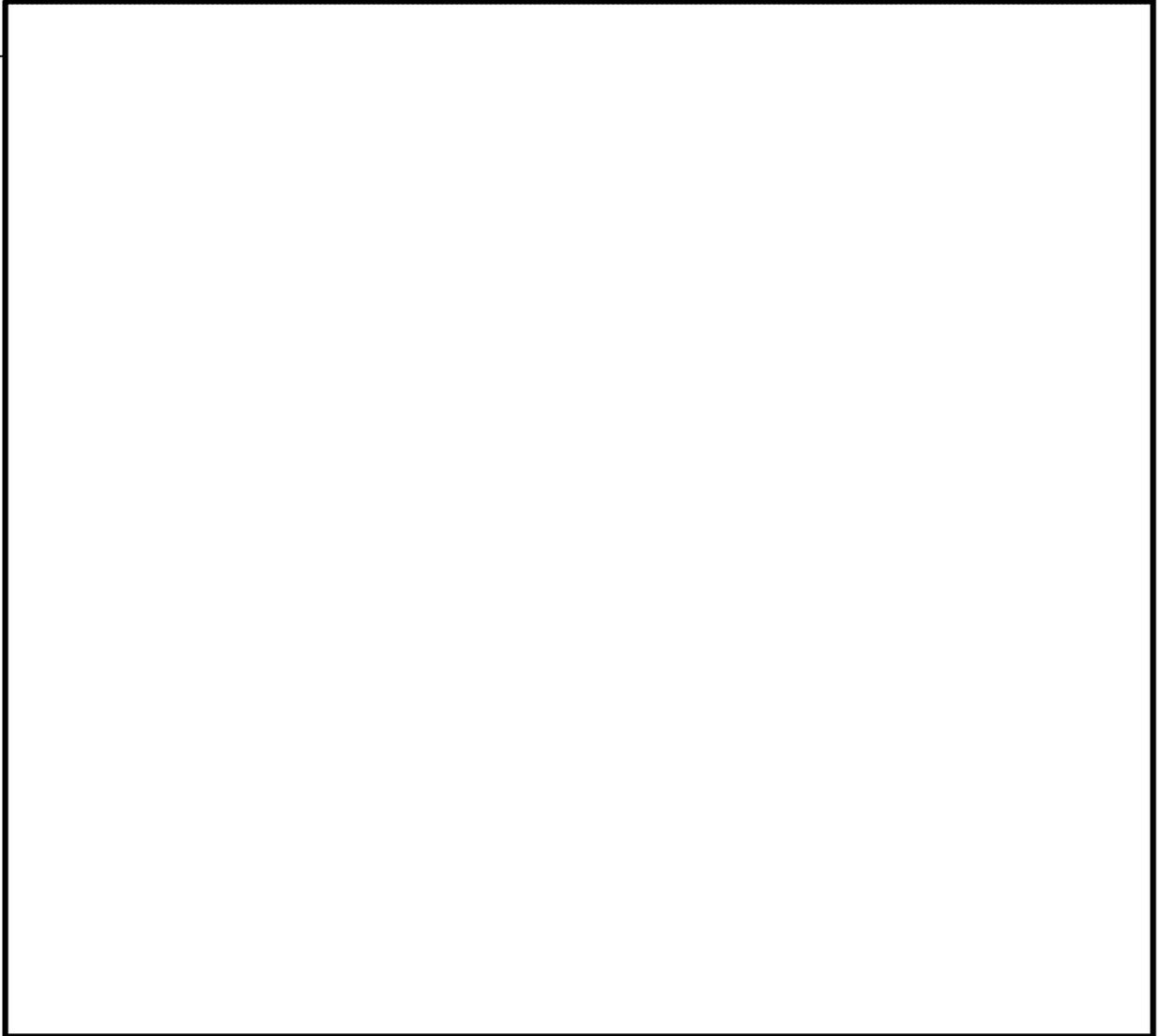
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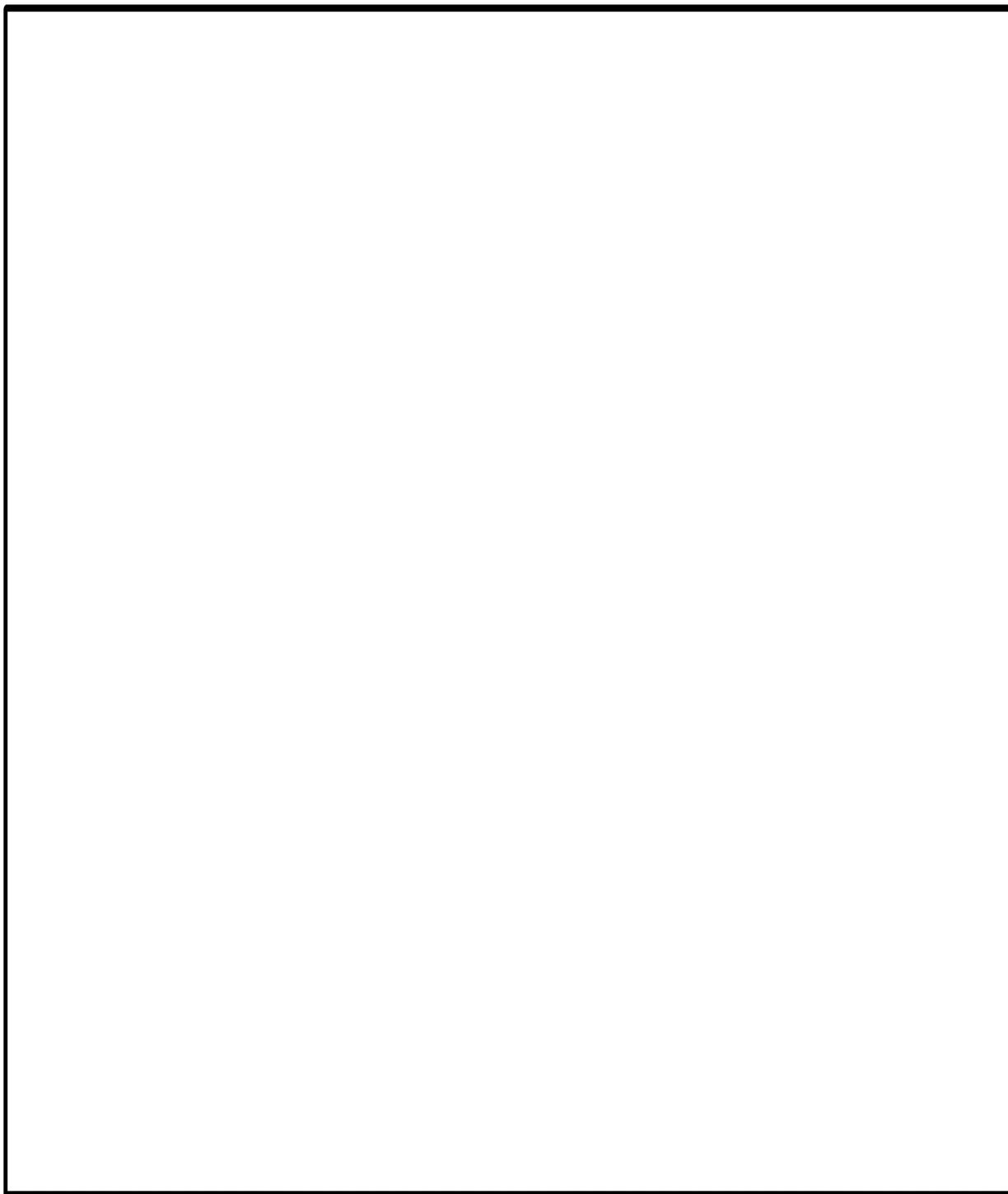
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## Chicago Southwest Development Corporation Campaign Gift Chart



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## Prospect Pipeline Report (by Phases)



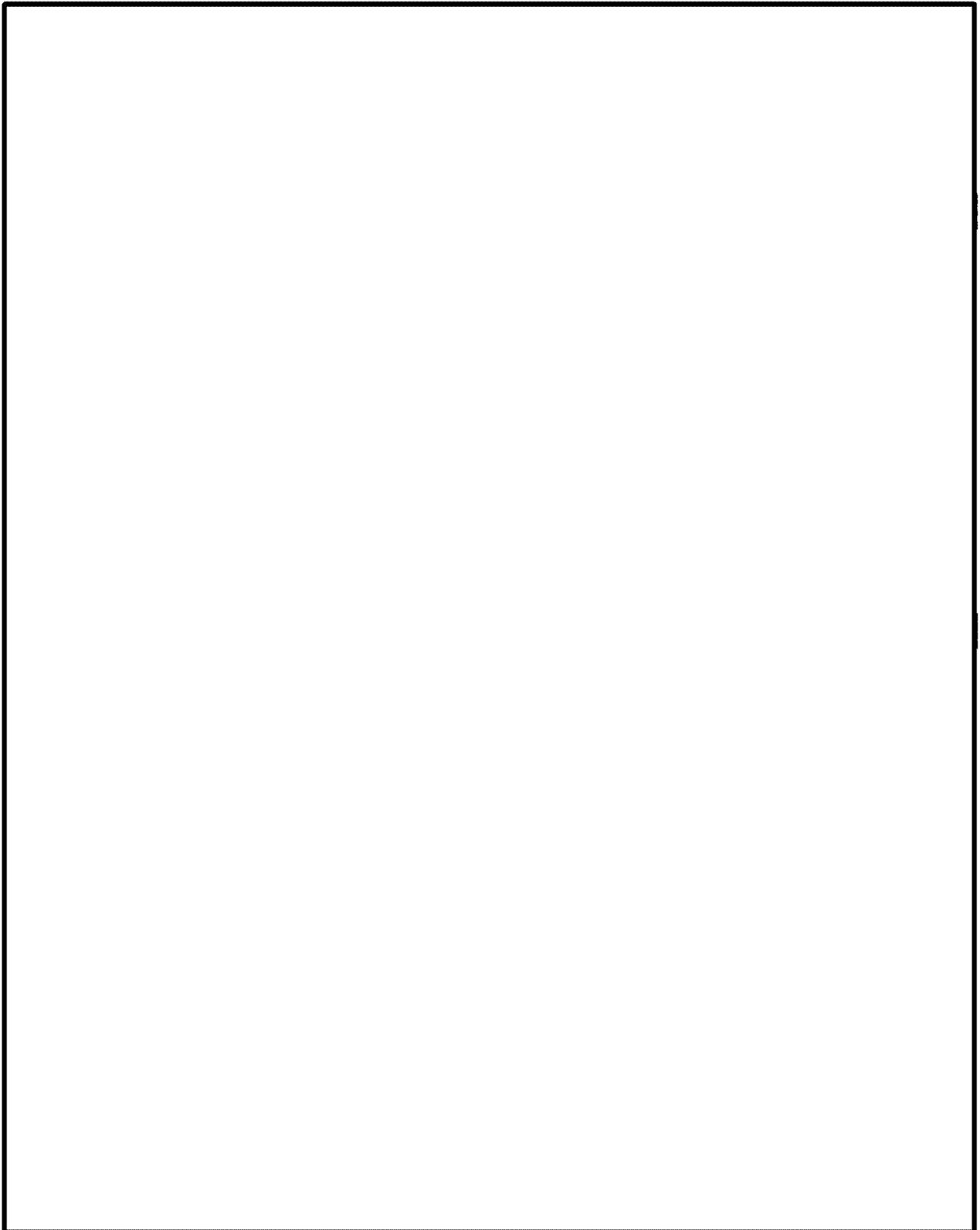
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## Proposed Campaign Structure



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## Campaign Cabinet Chair/Co-chairs Job Description



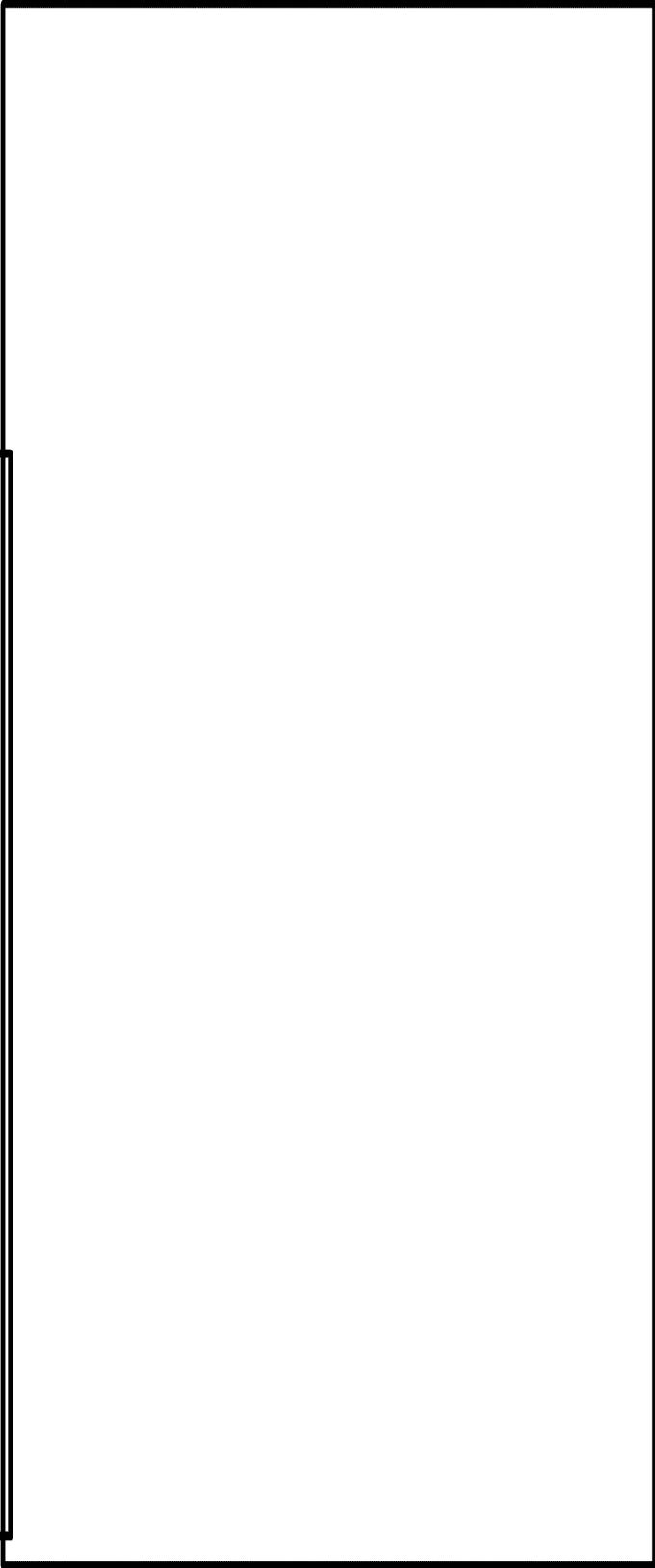
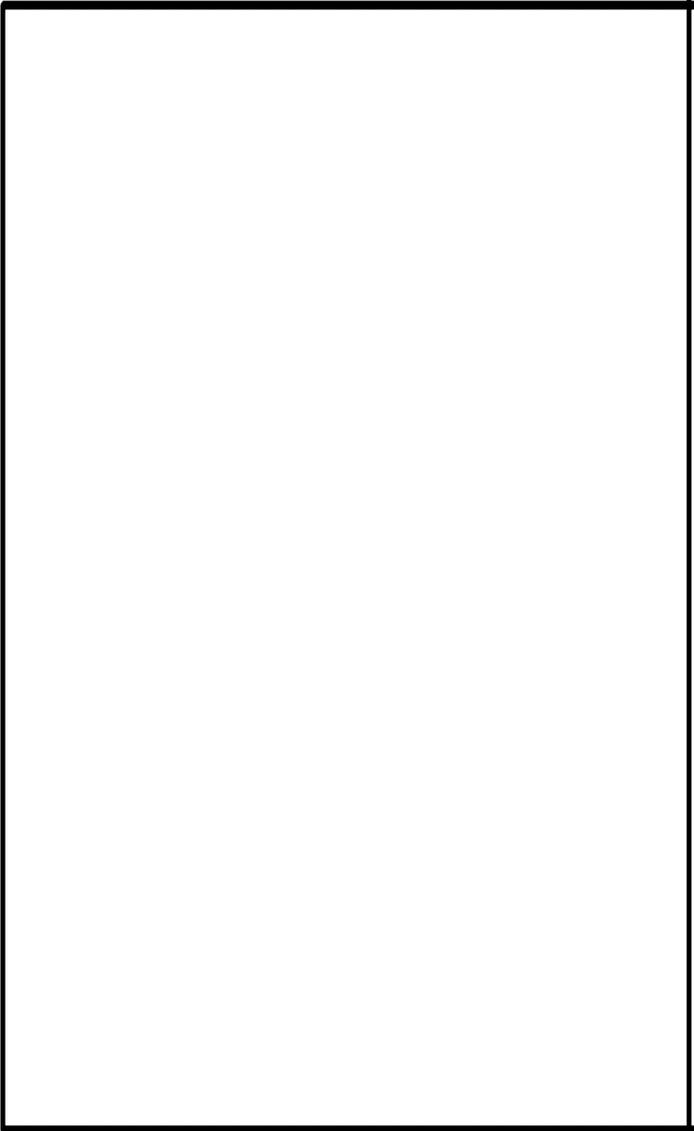


## Campaign Cabinet Member Job Description

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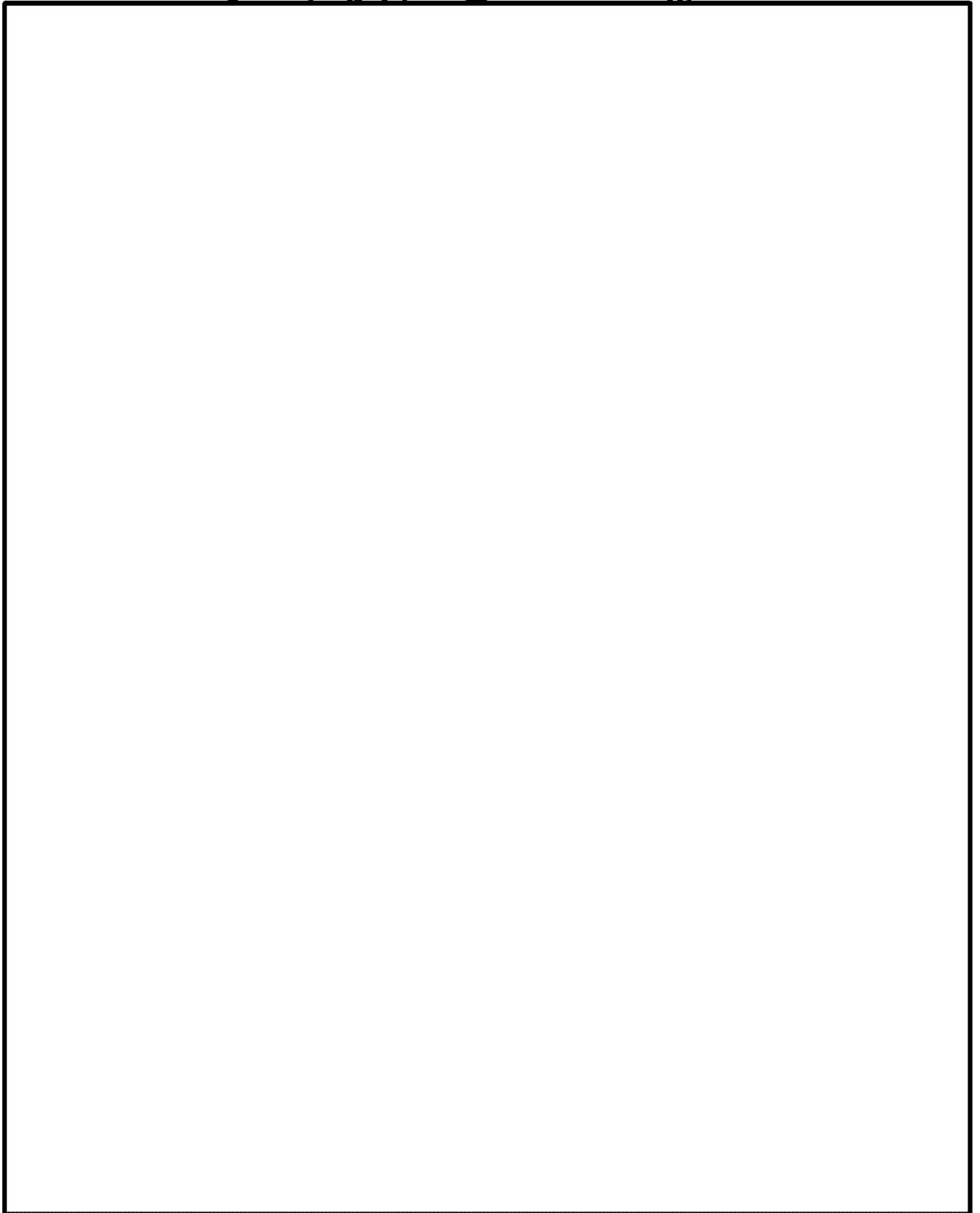
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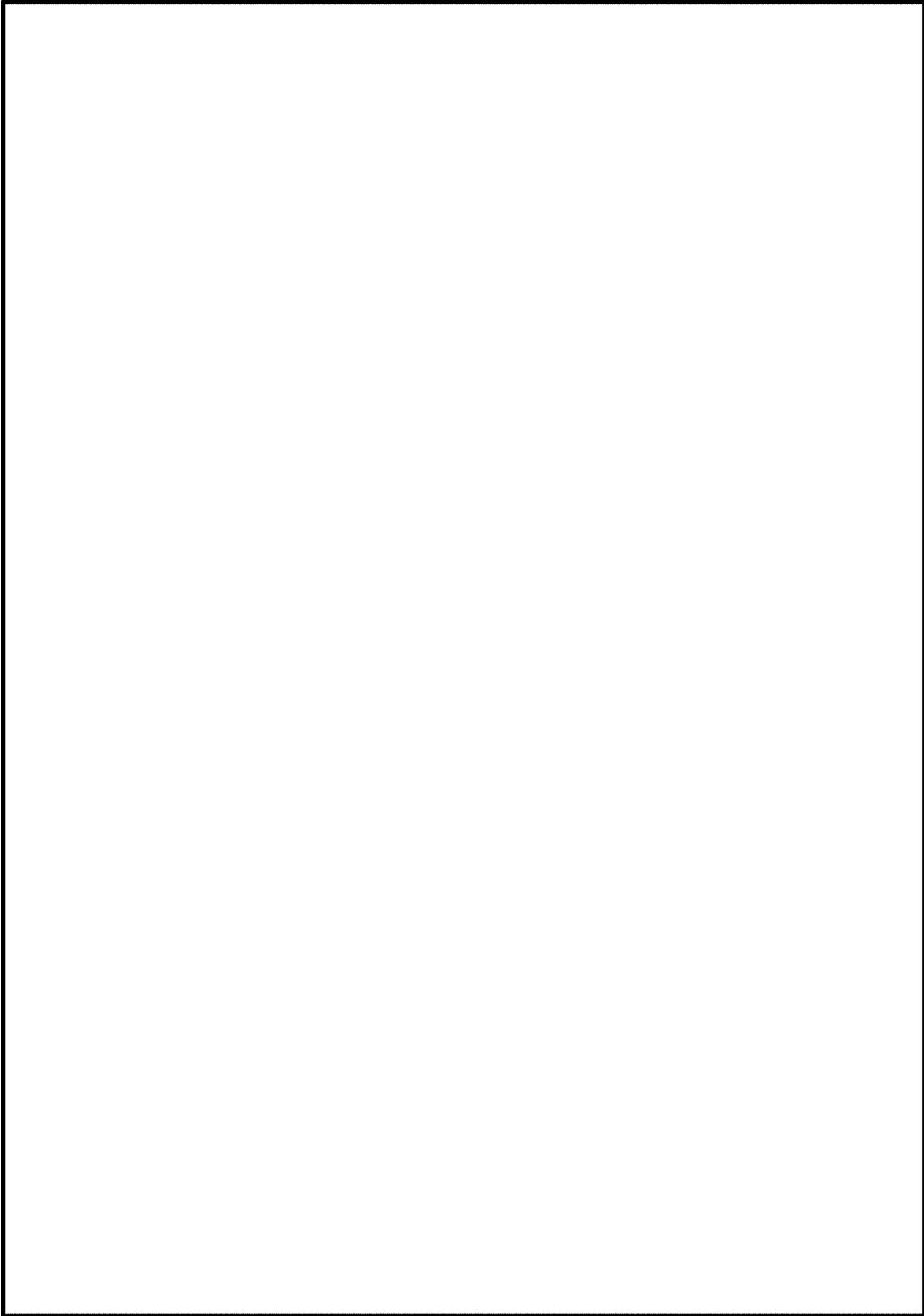
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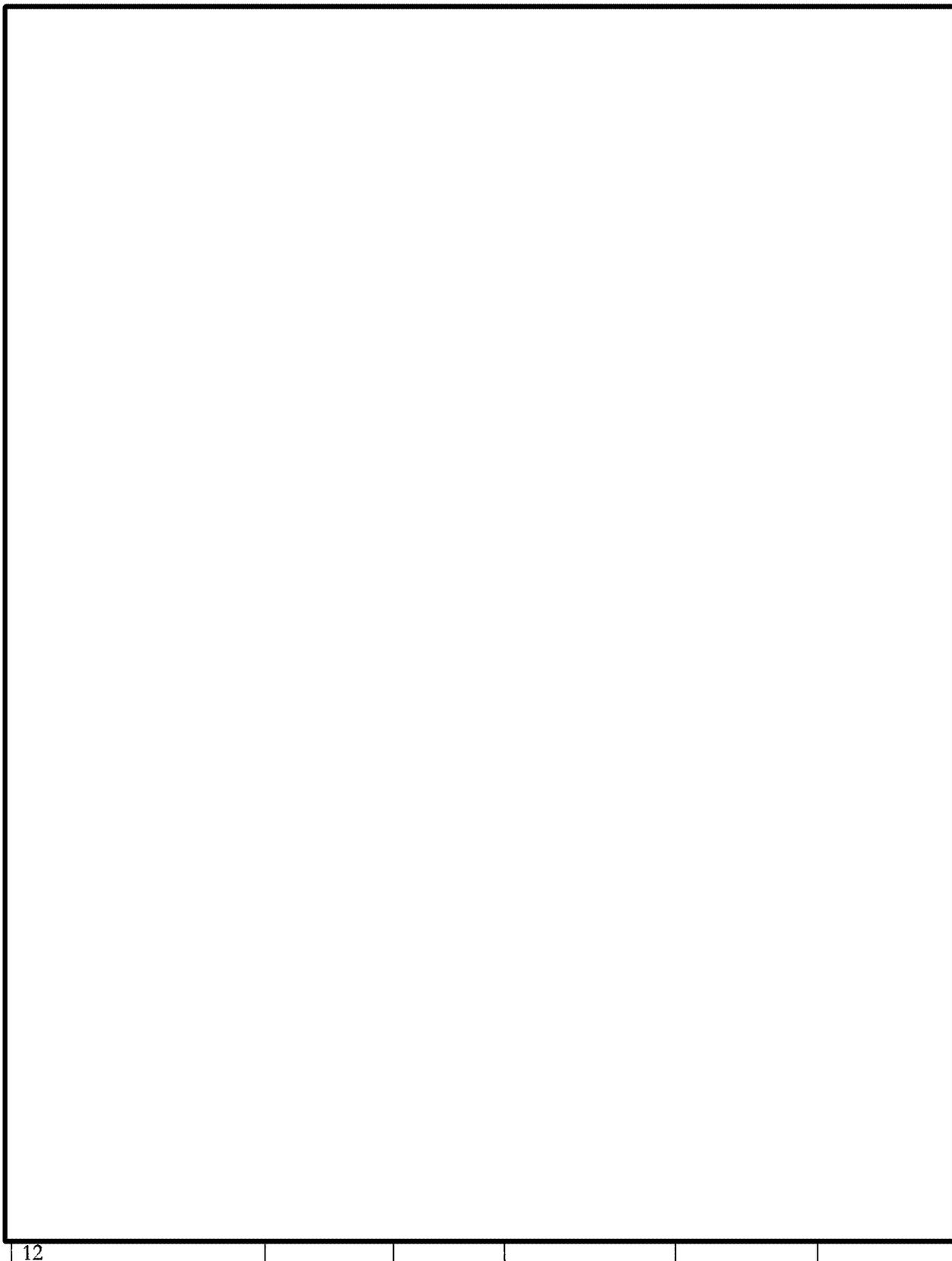
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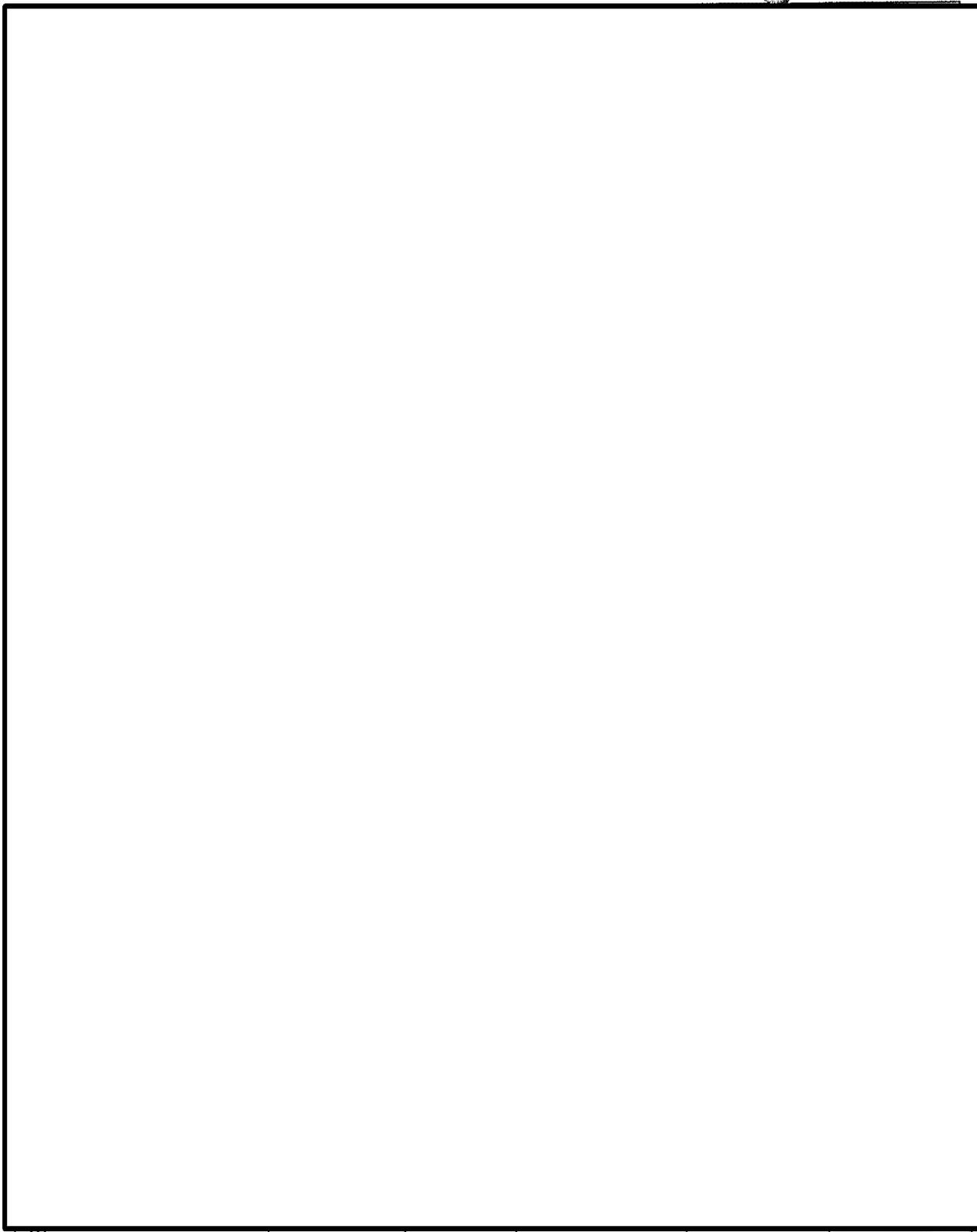


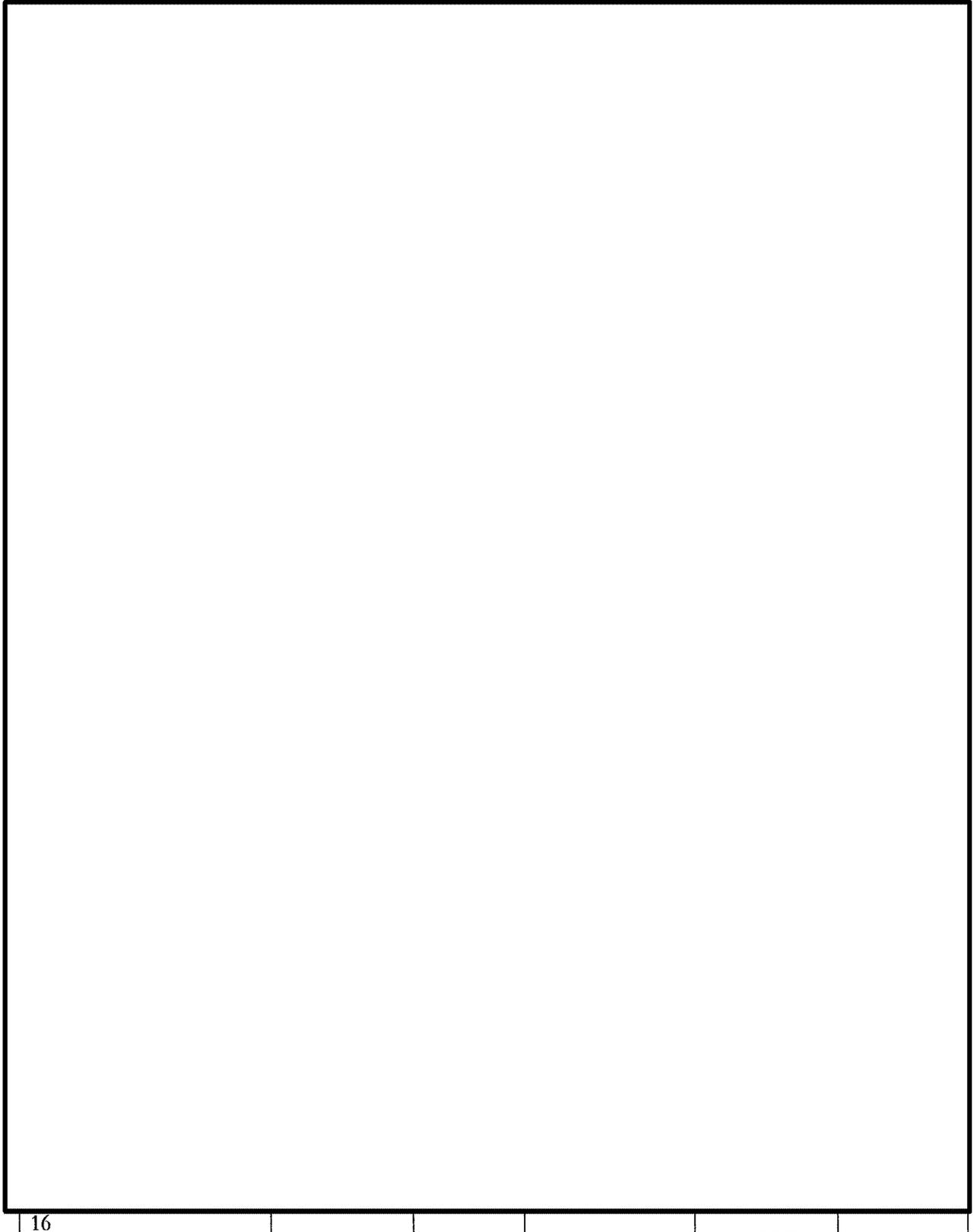
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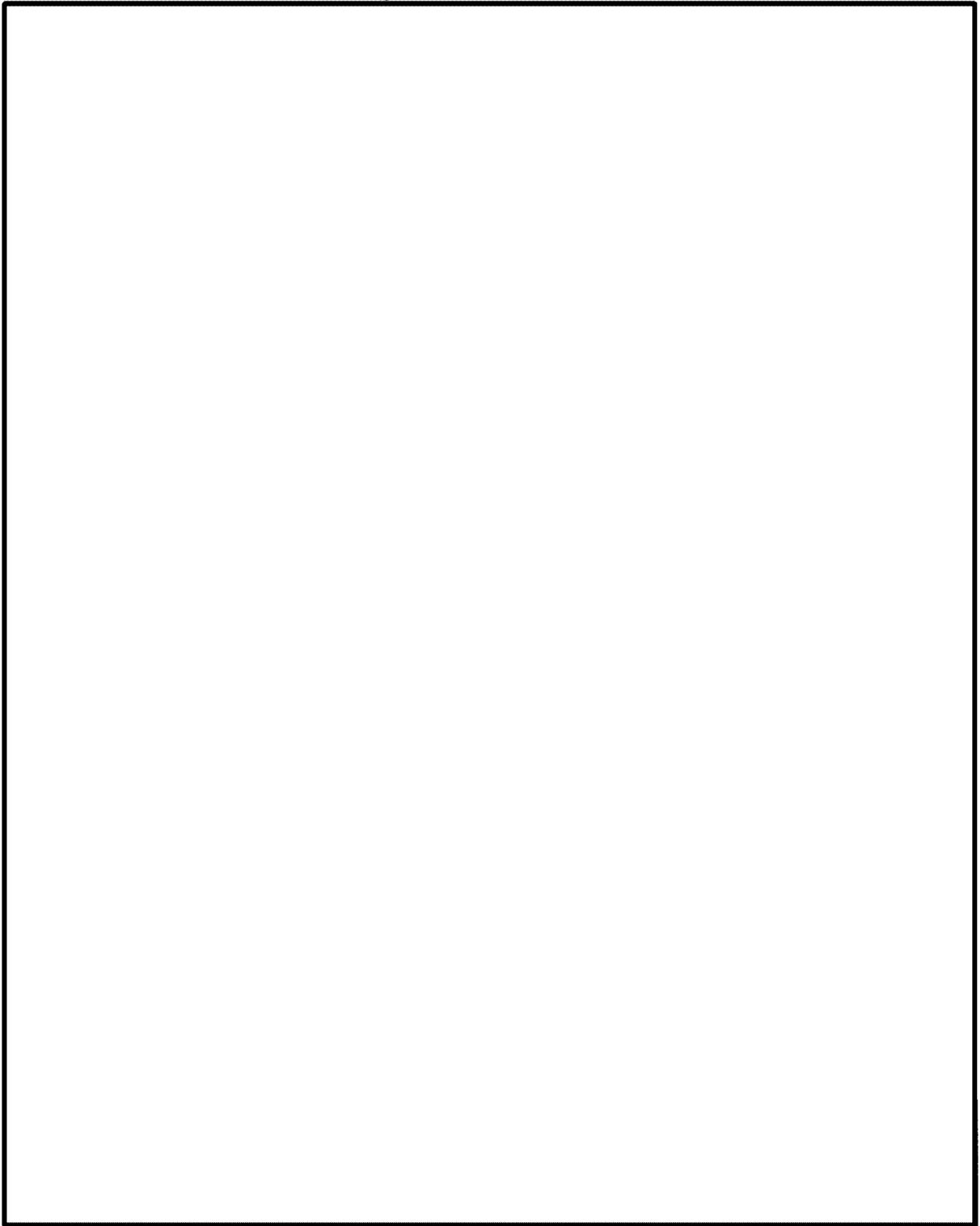
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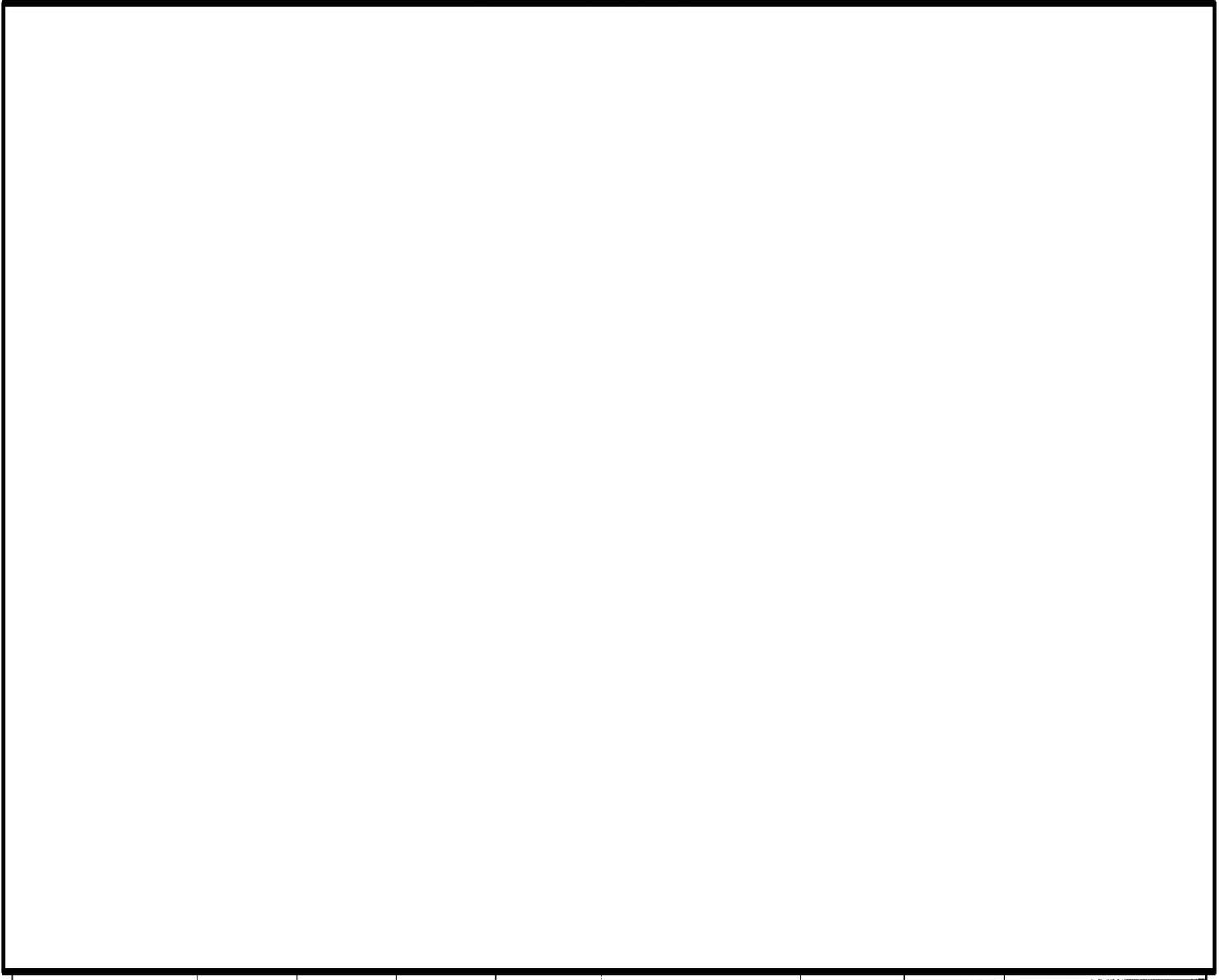


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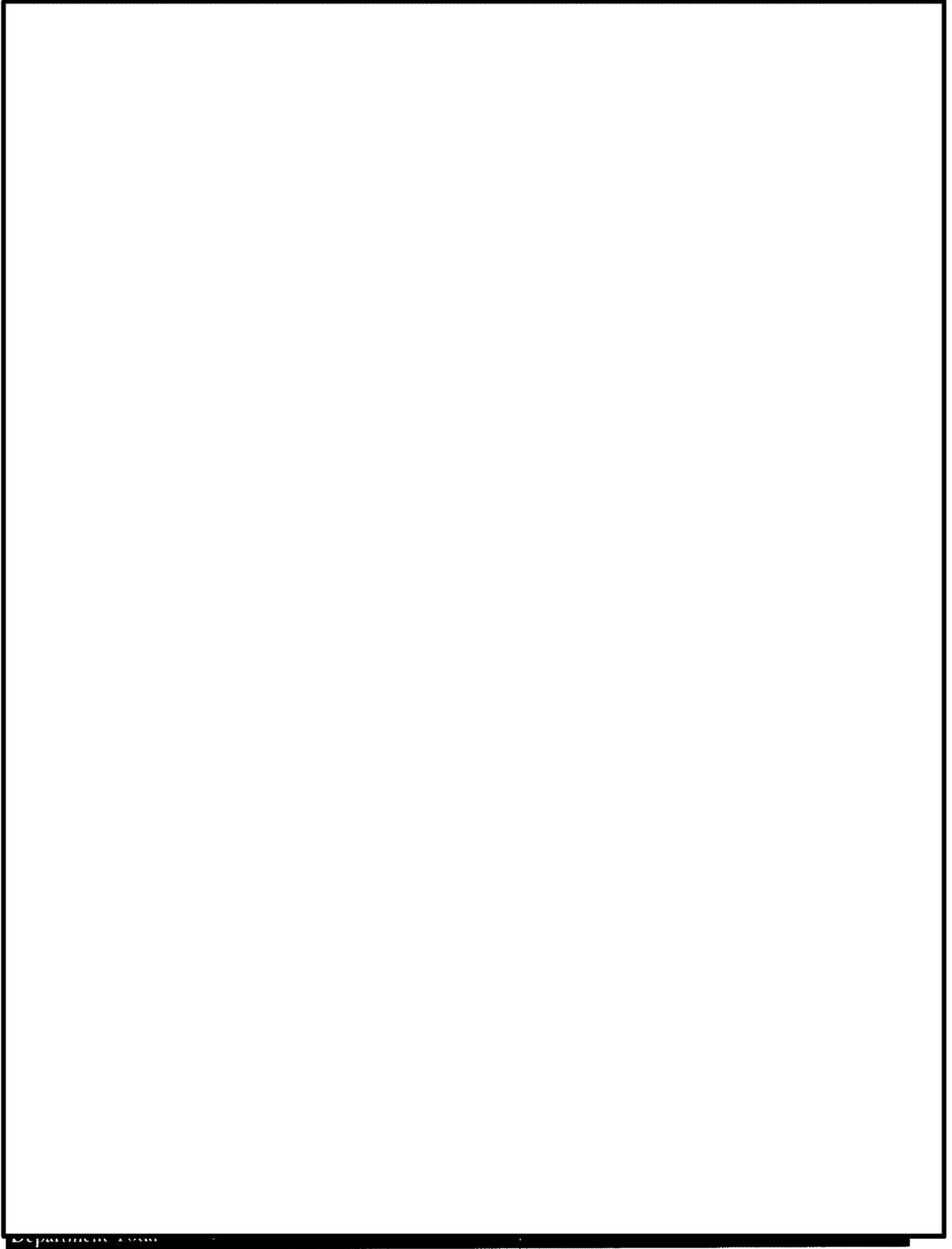


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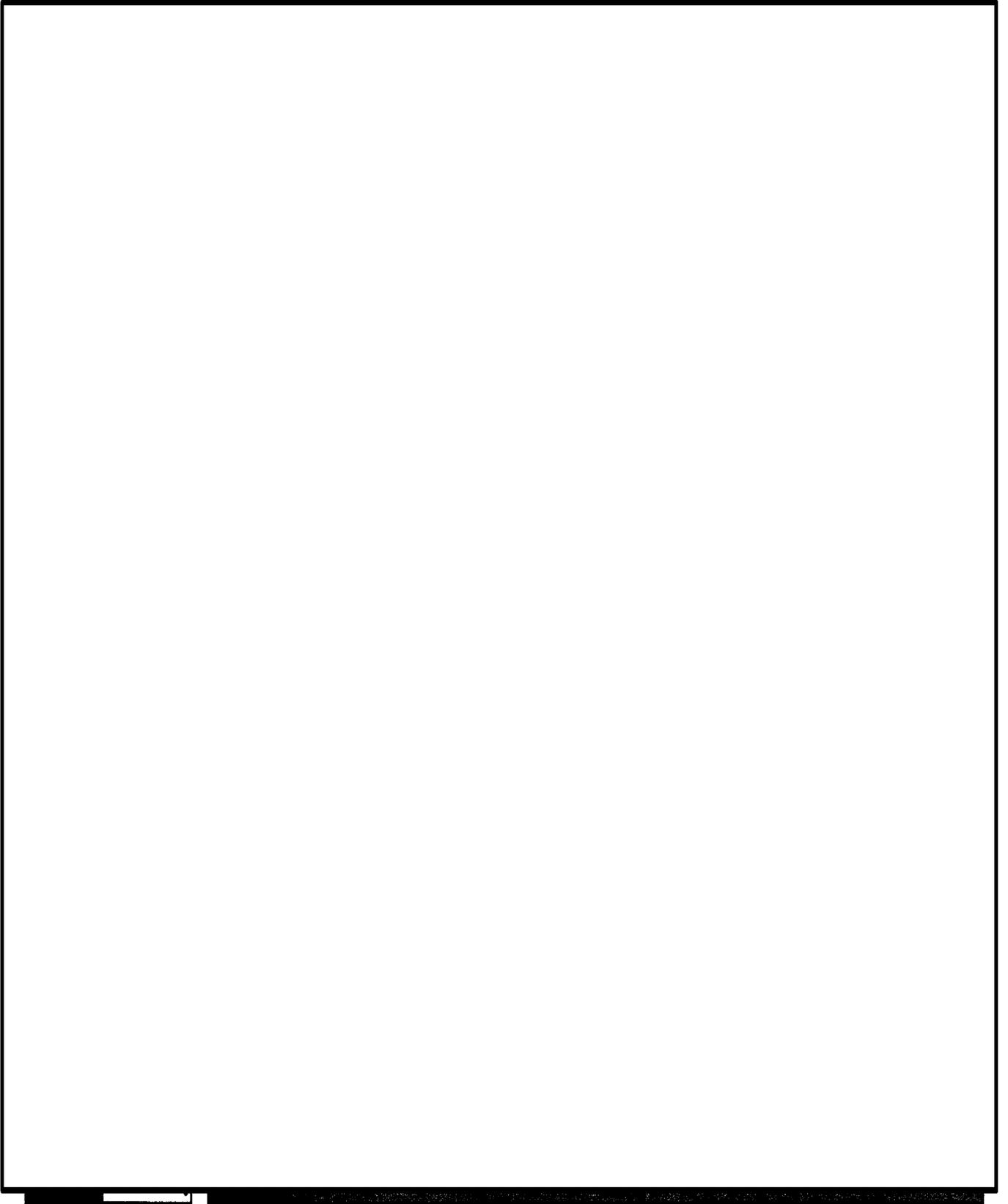
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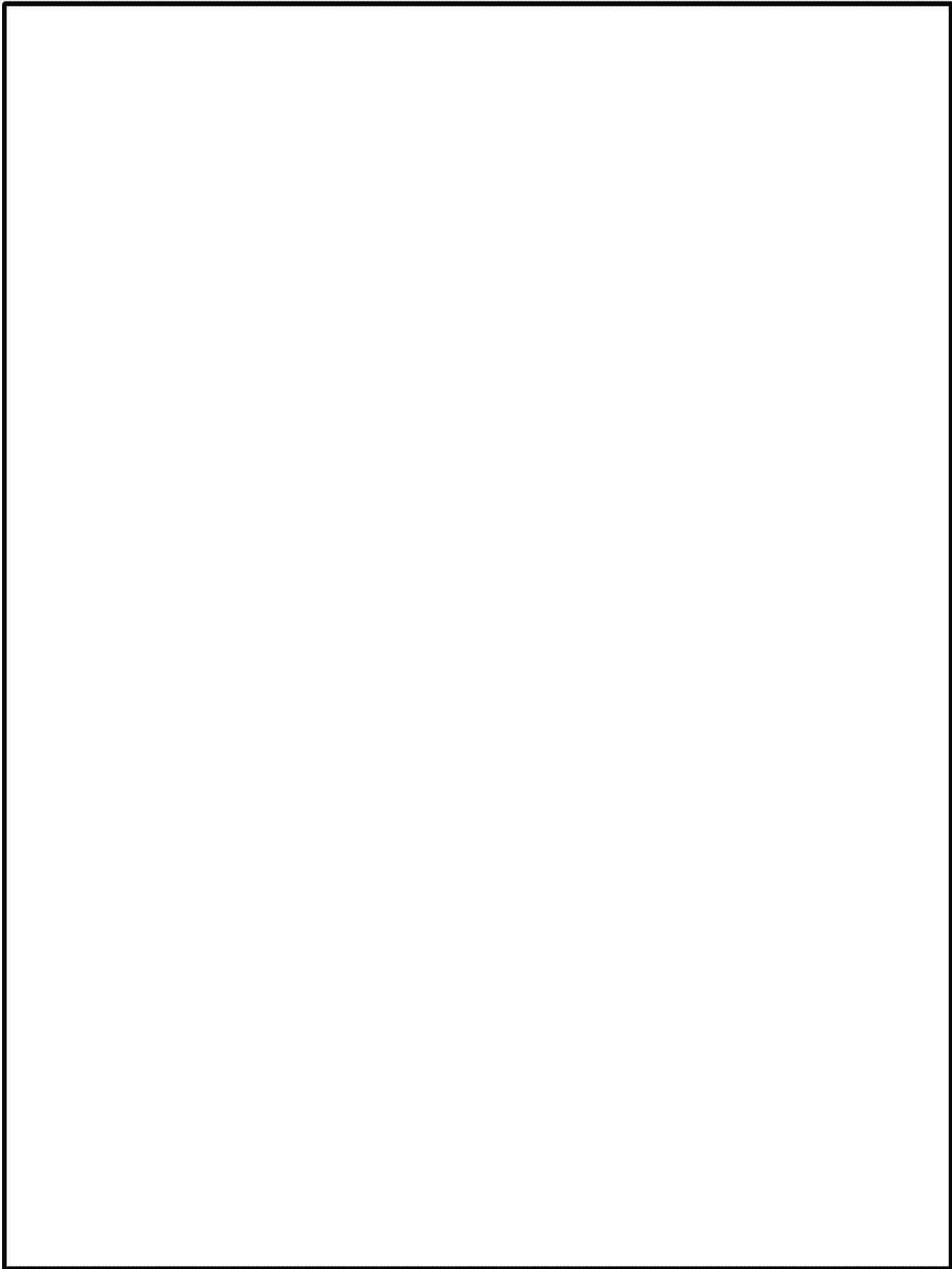
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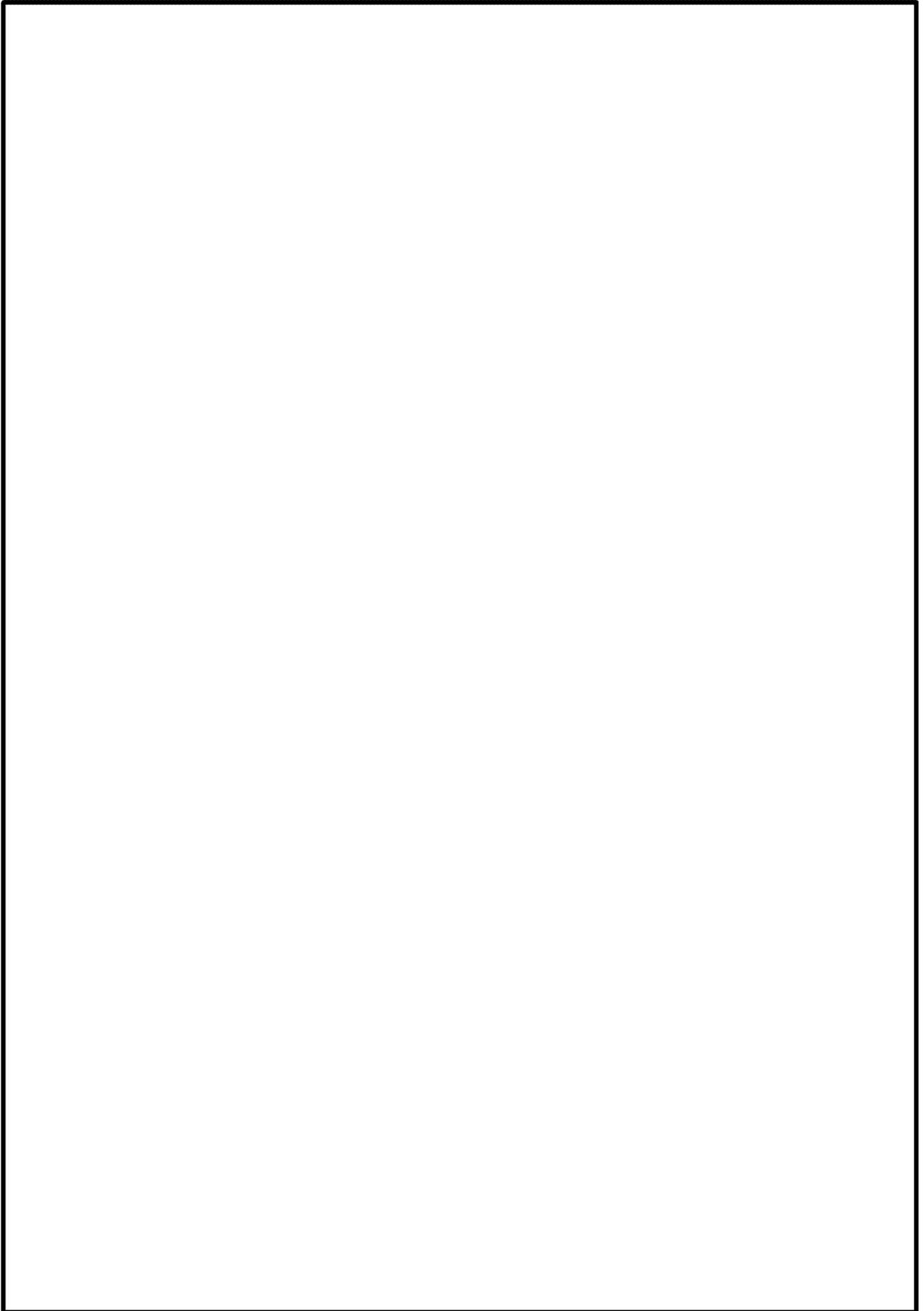
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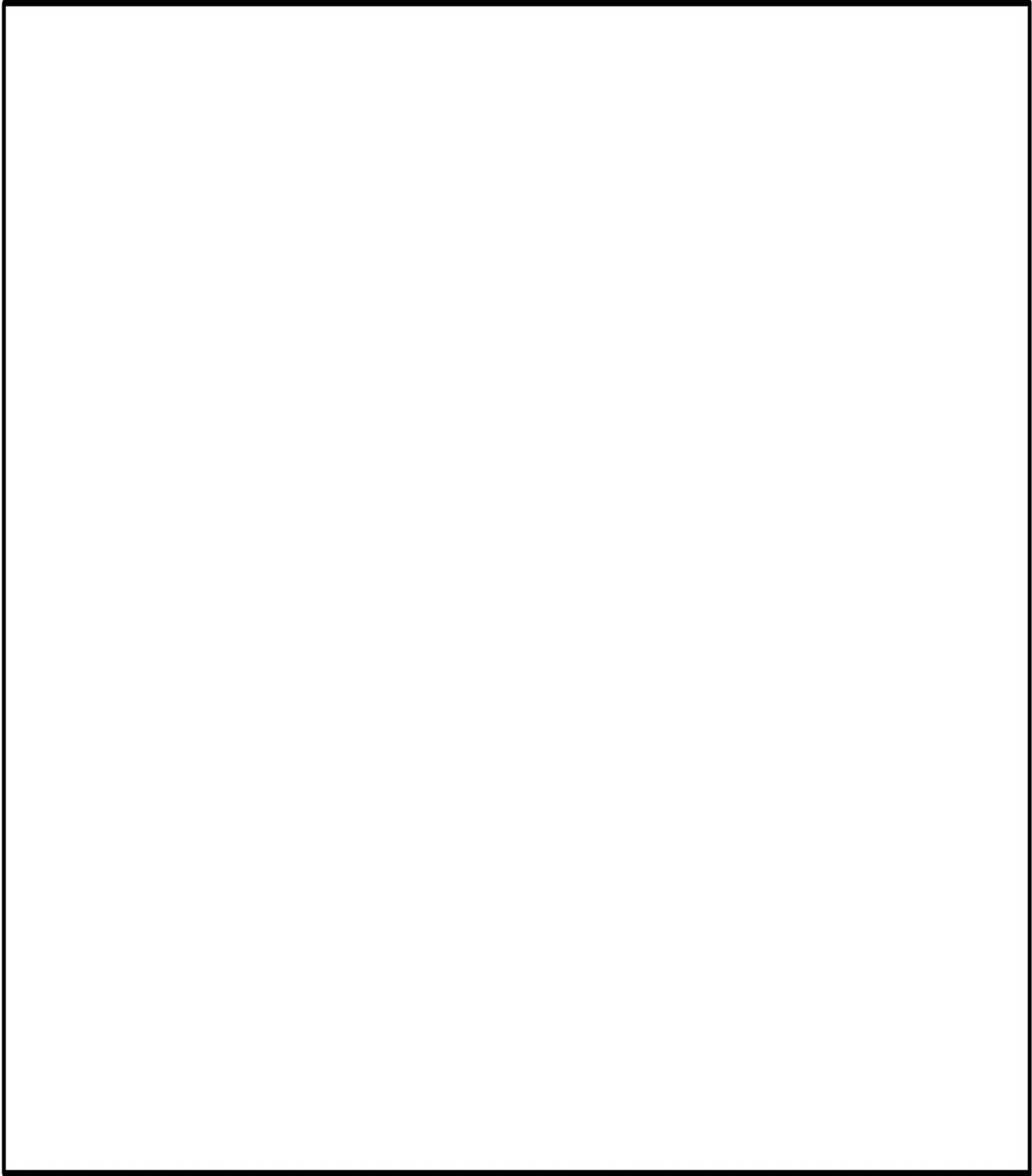
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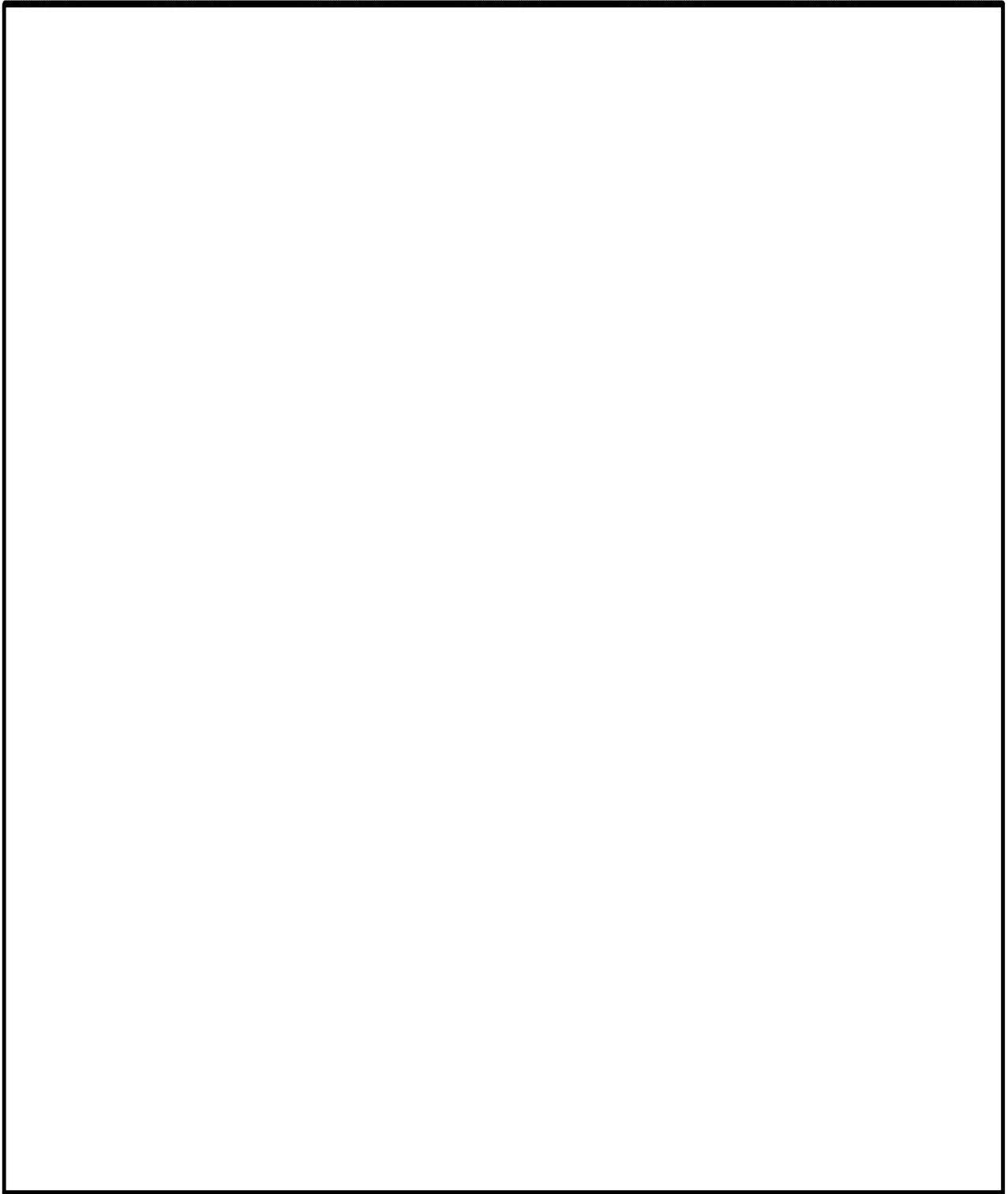
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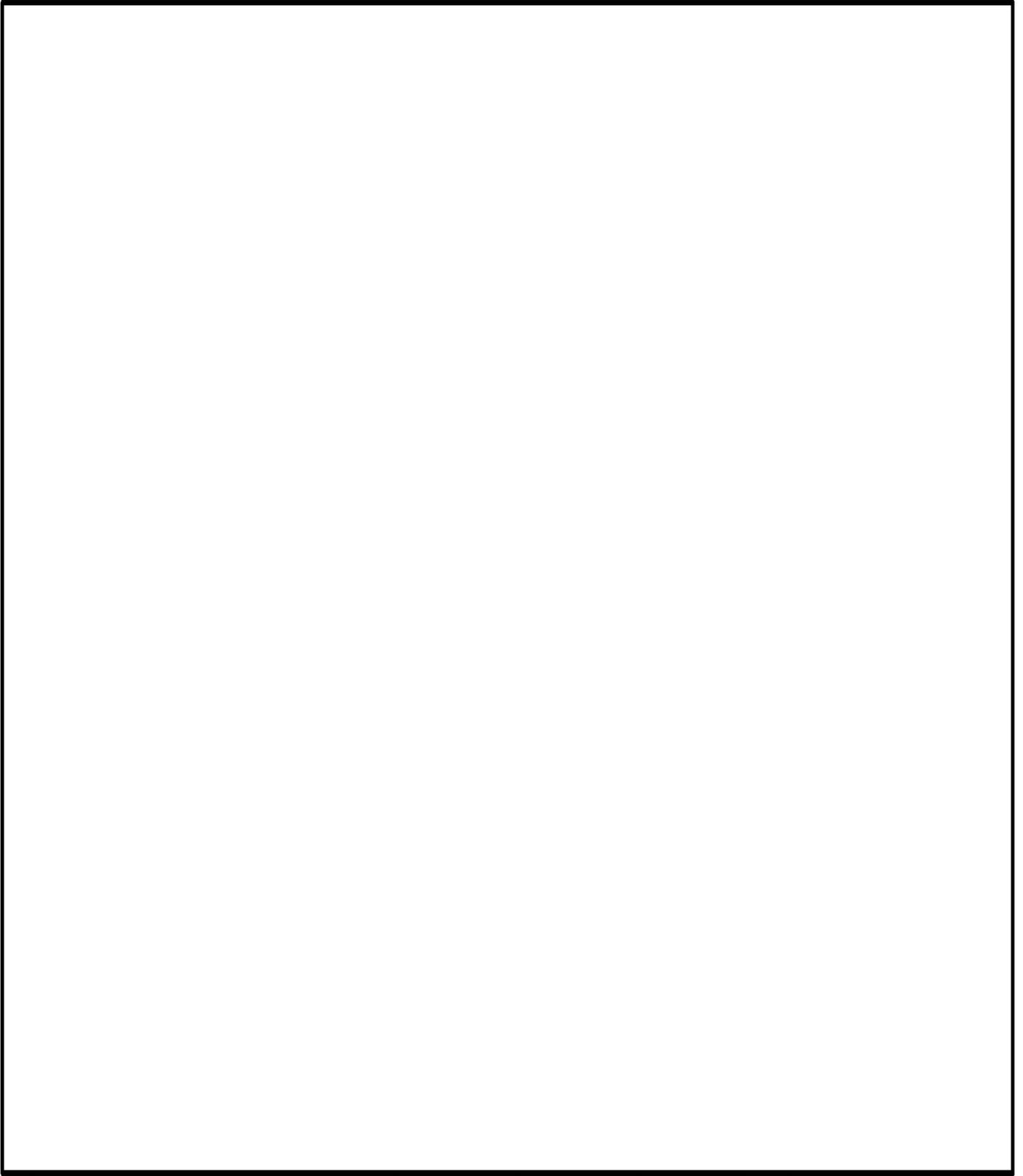
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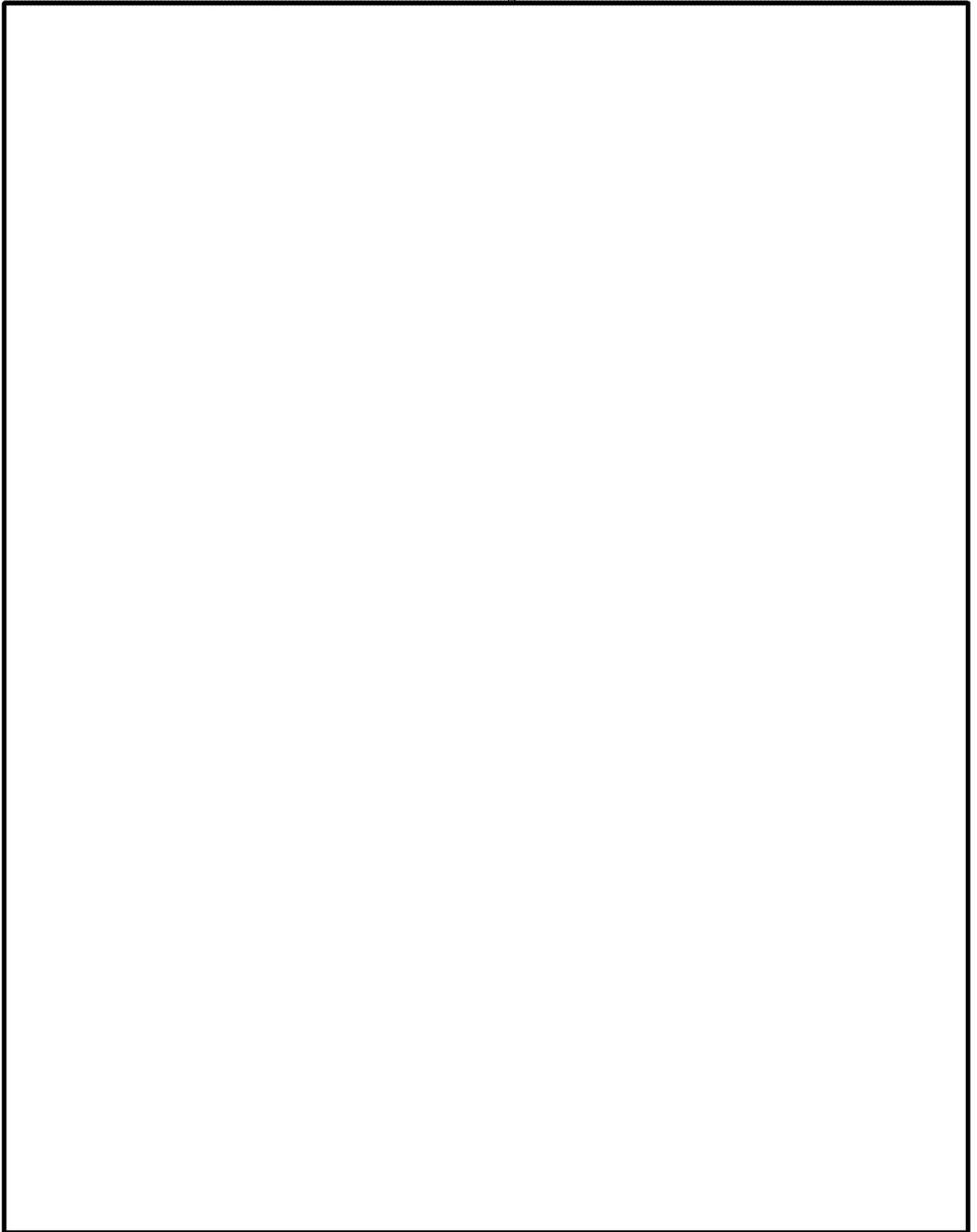
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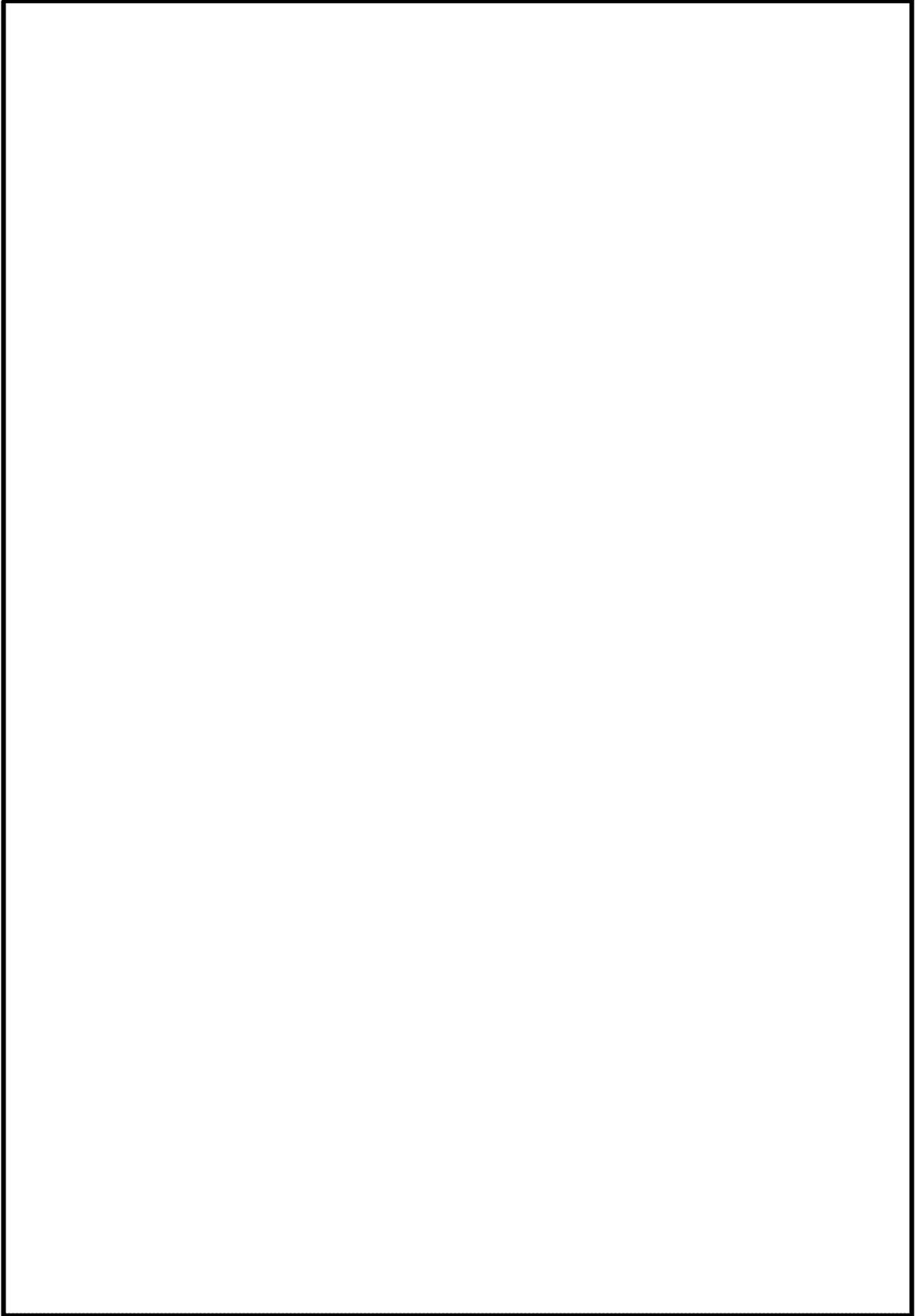
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## Gift Acceptance and Processing Policies



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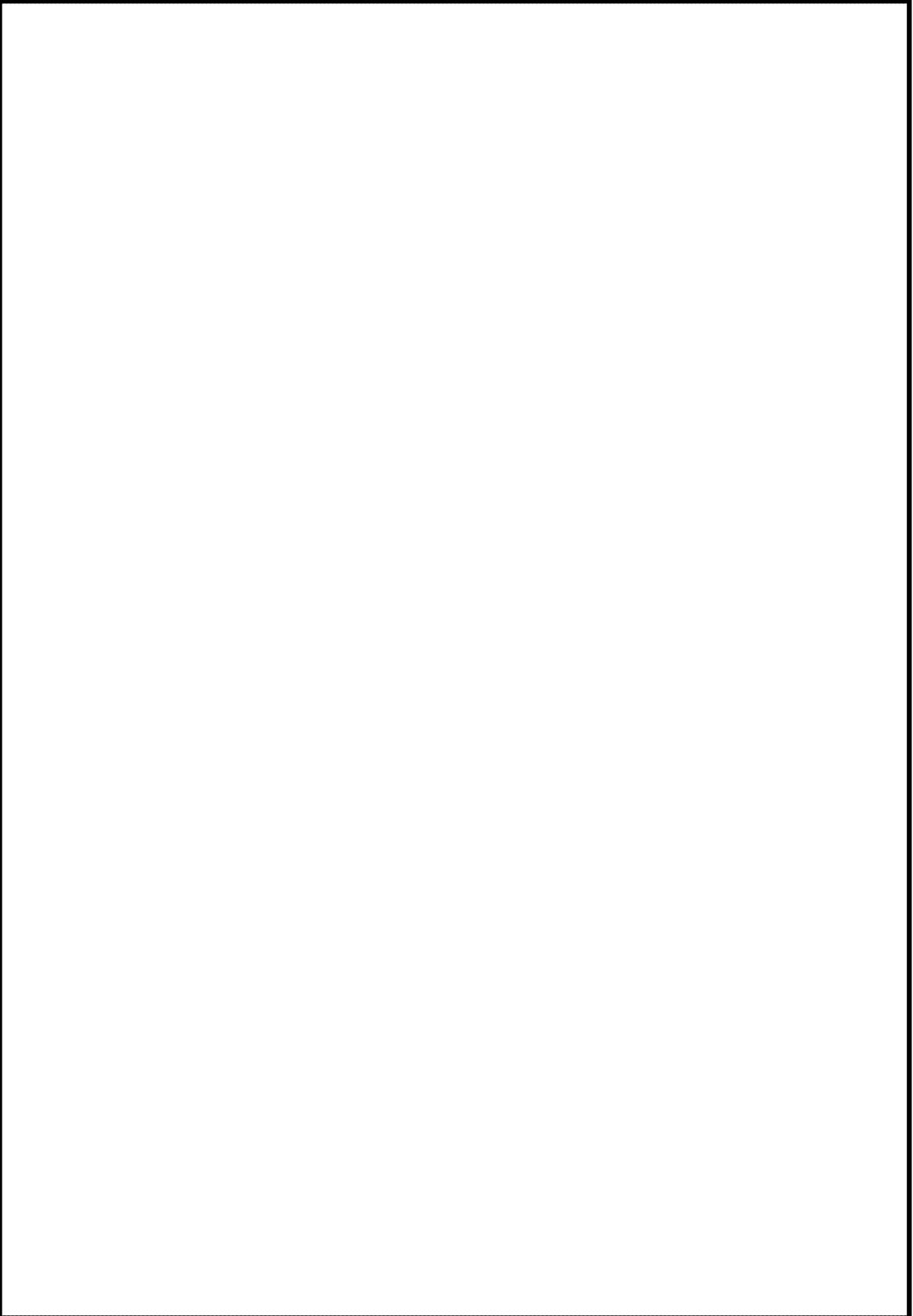
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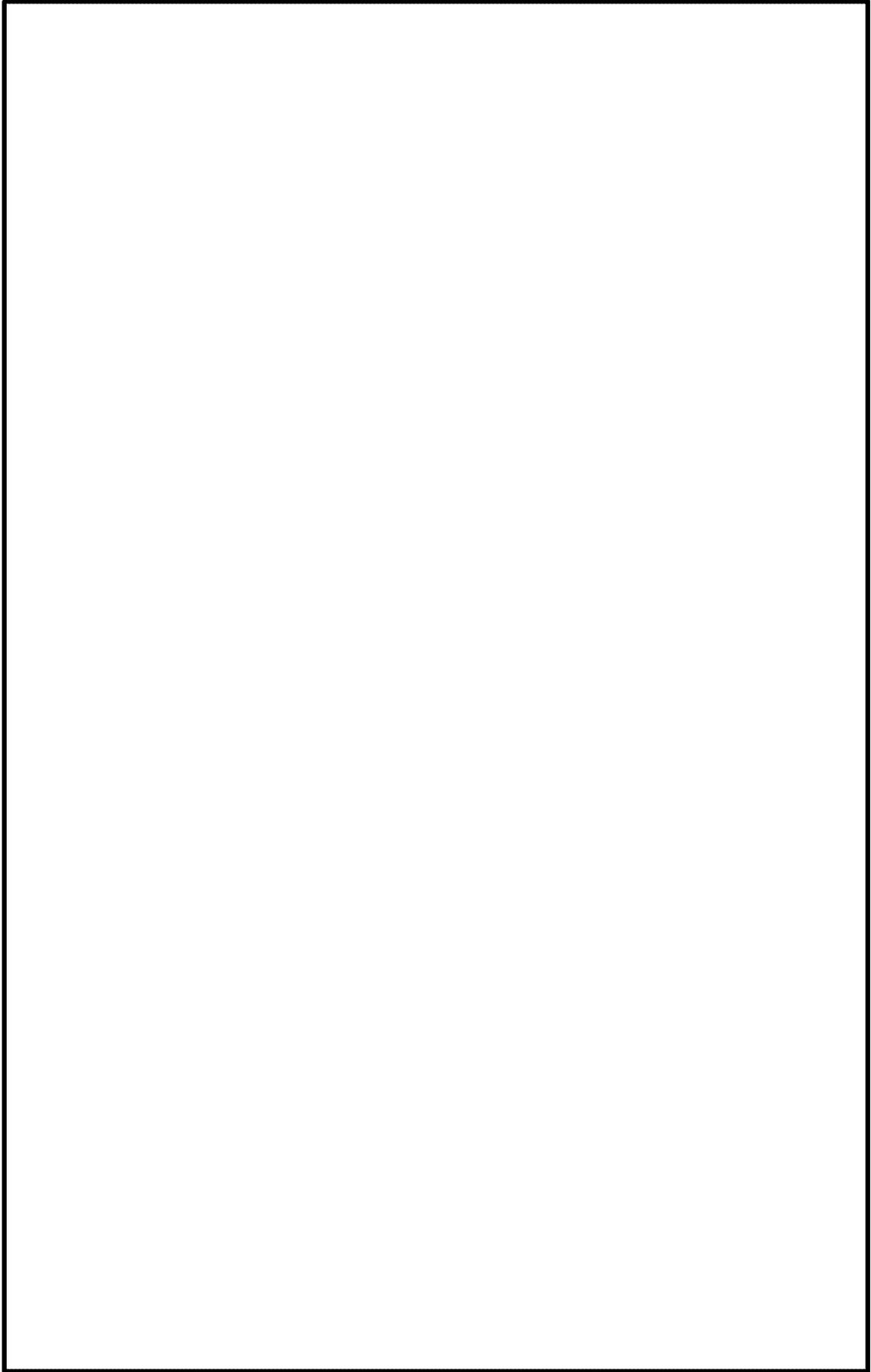
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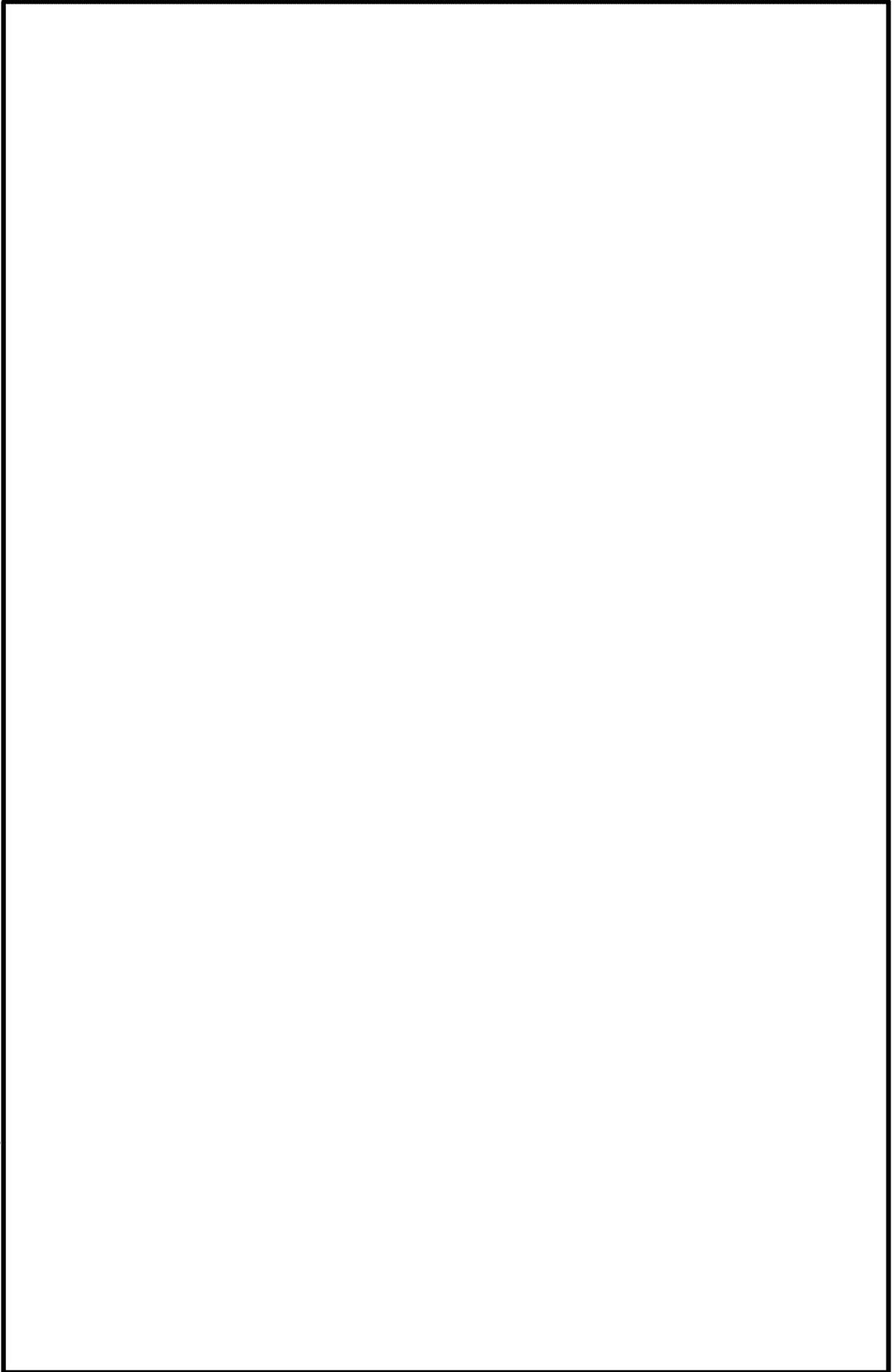
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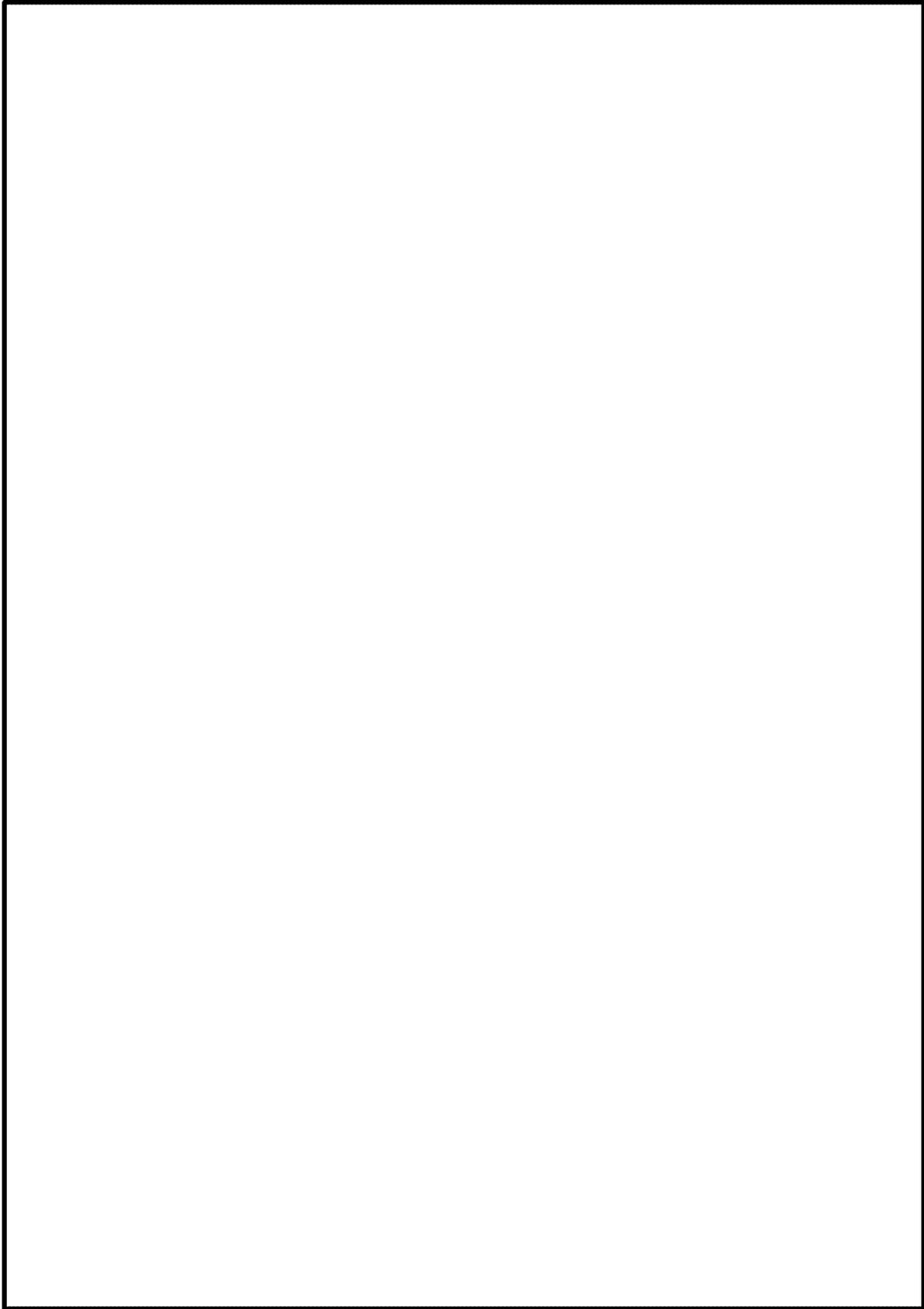
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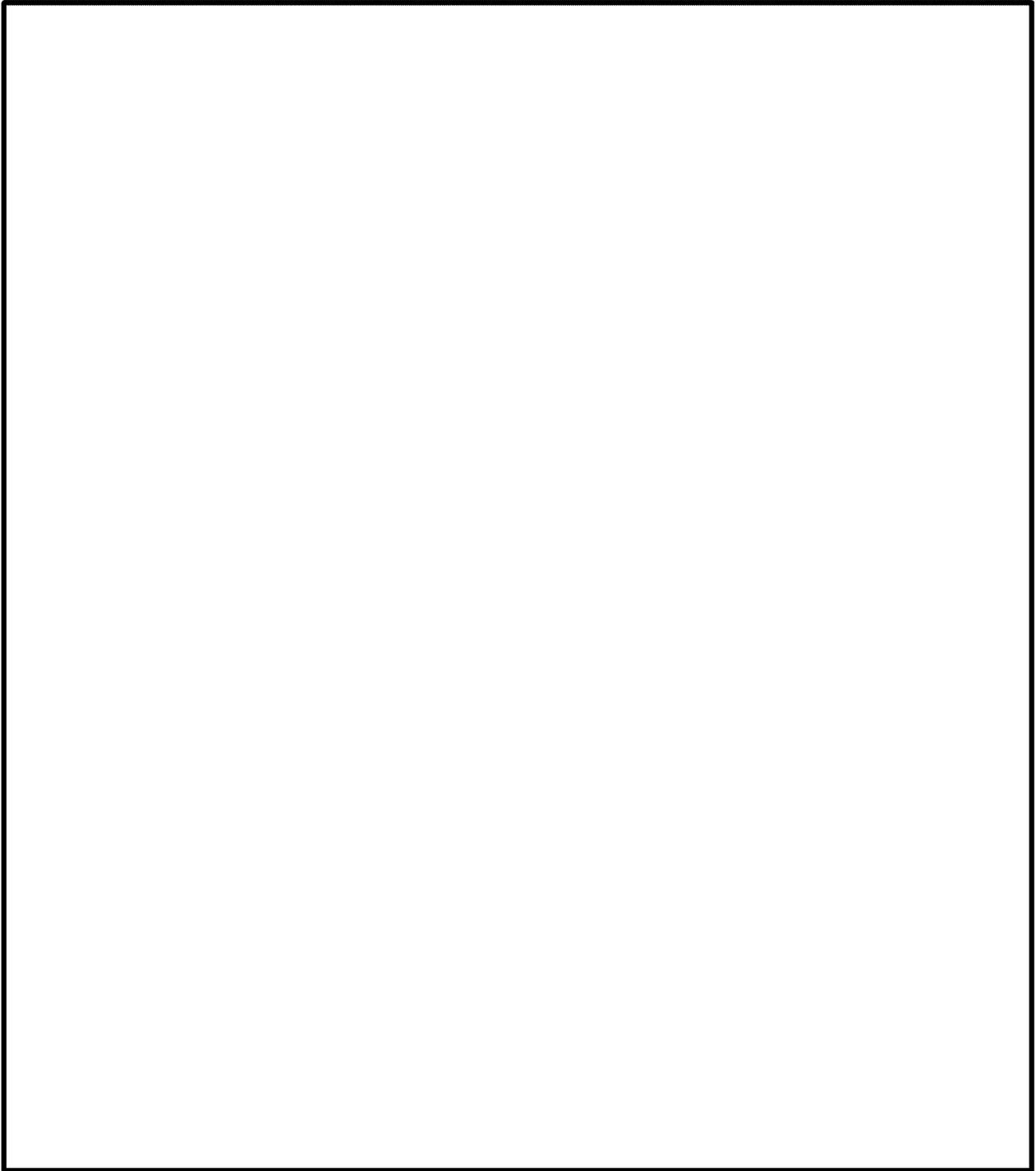
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## Staffing Structure & Recommended Actions

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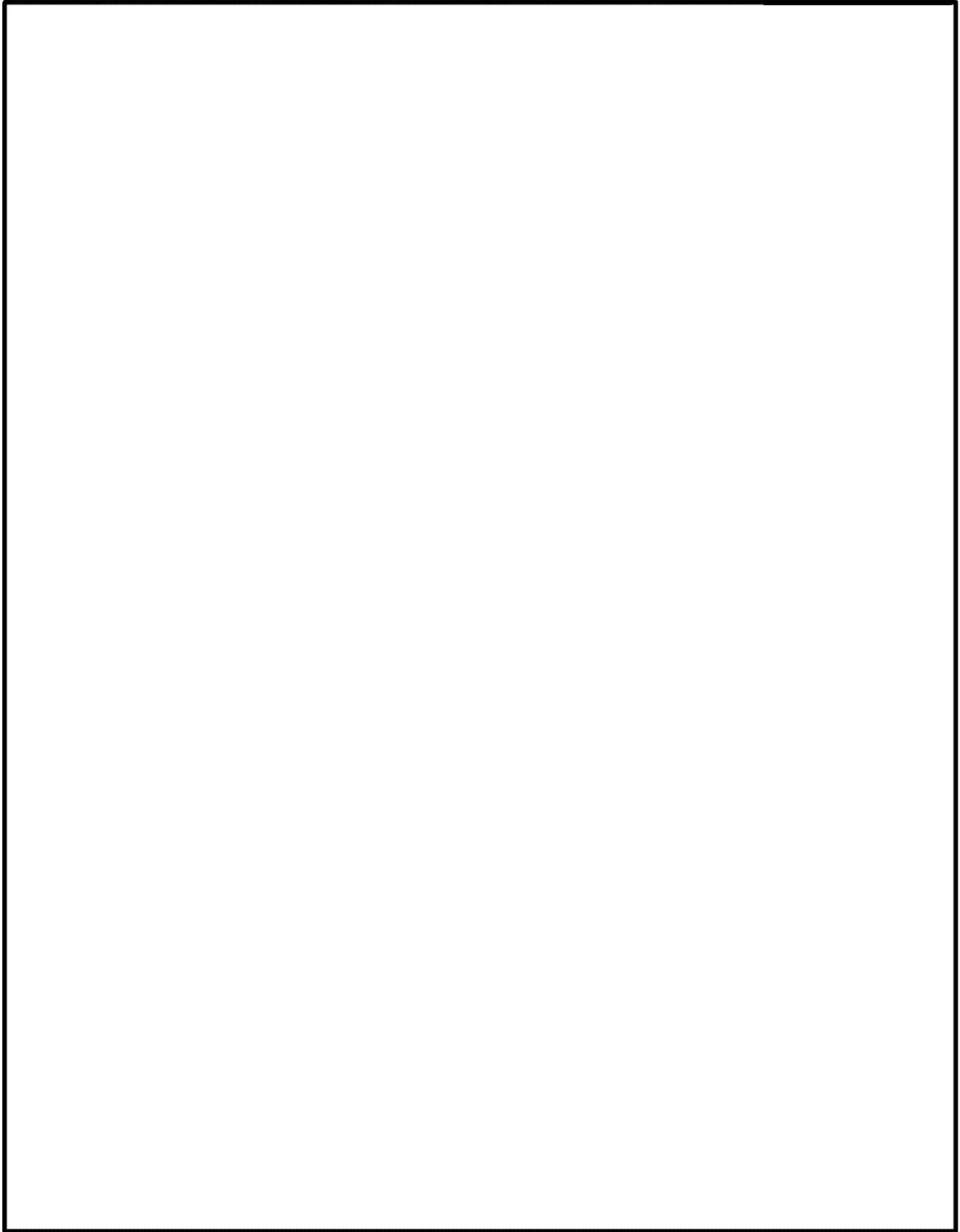
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**Recommendation 1:**

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**Recommendation 2:**



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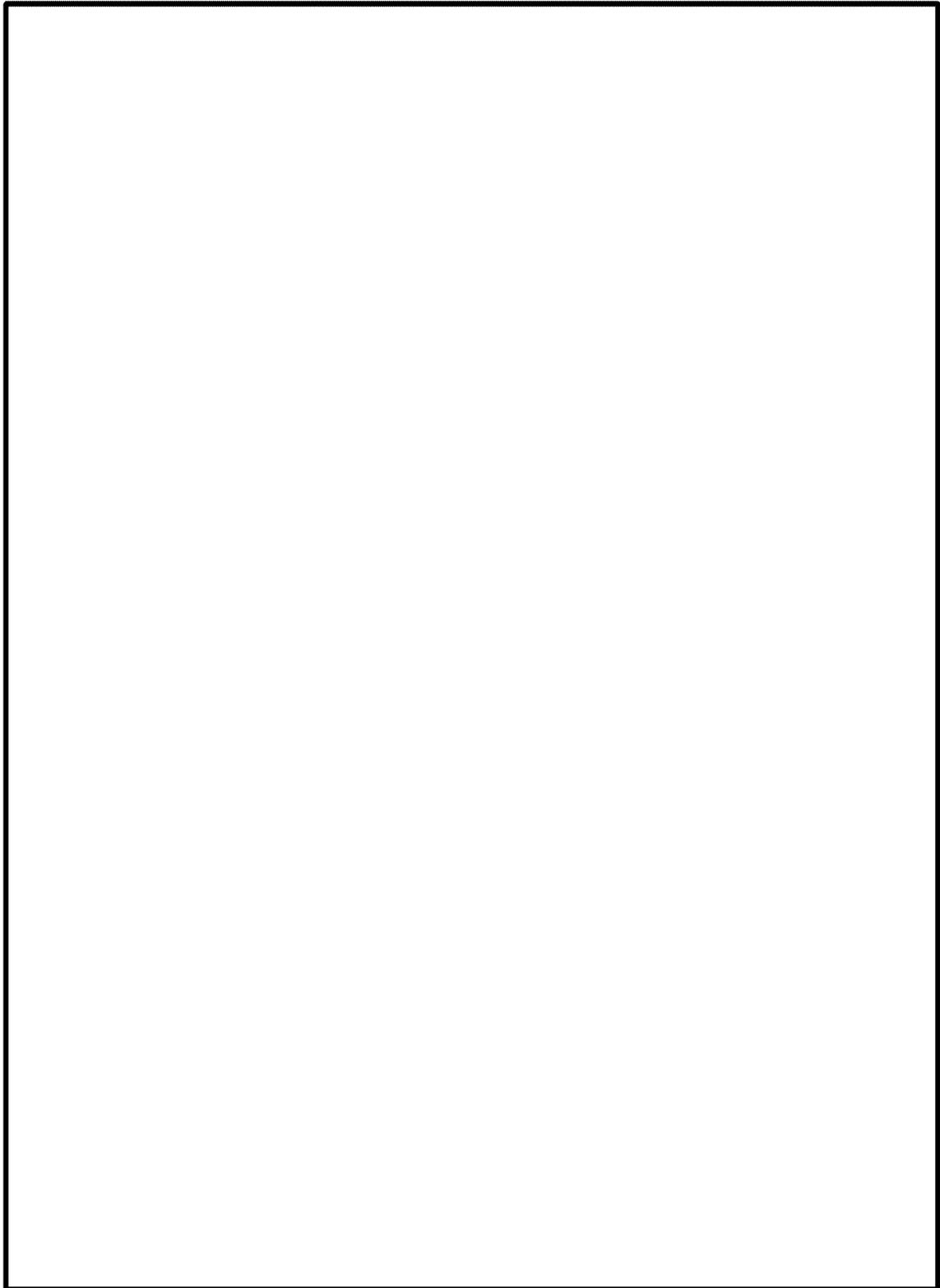
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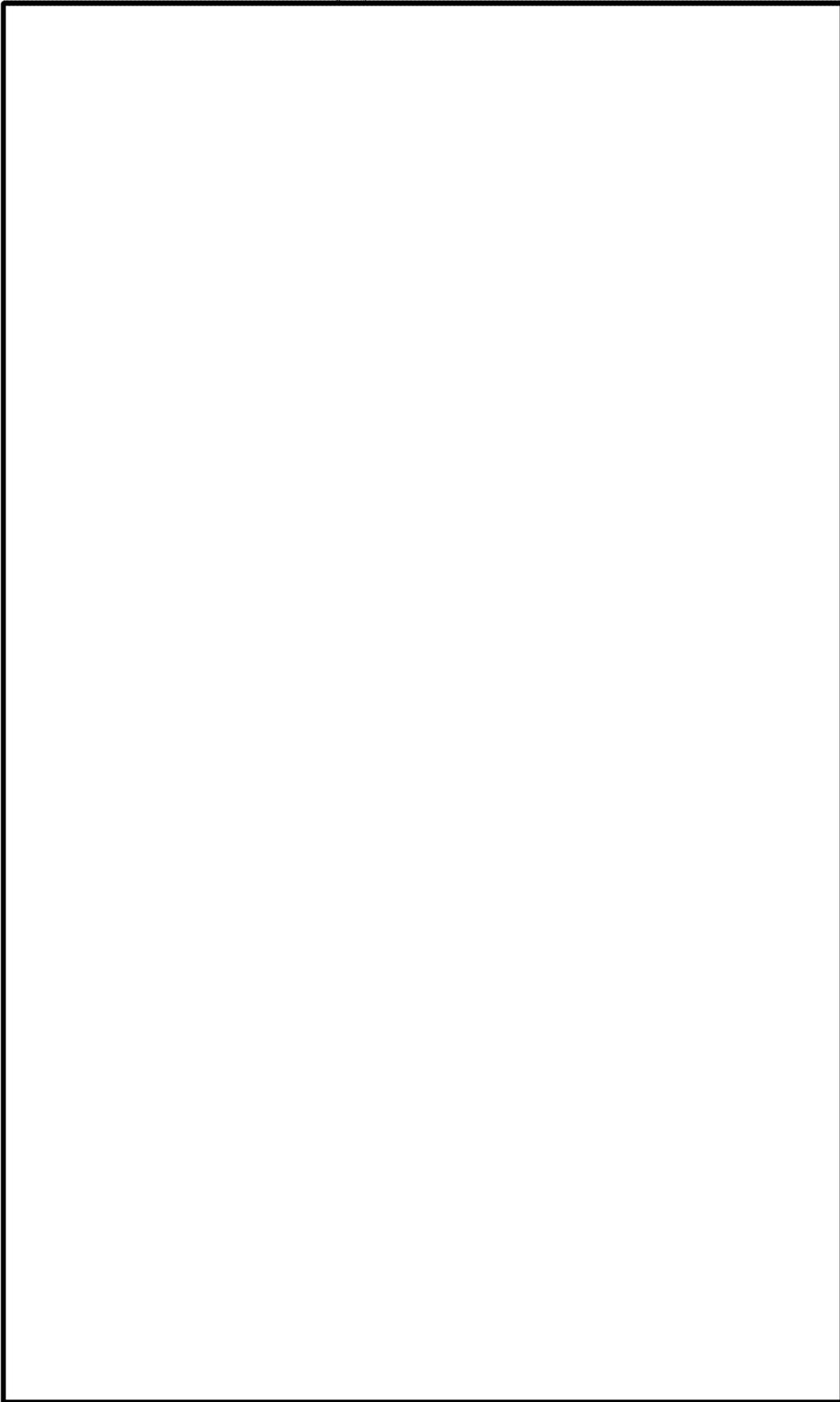


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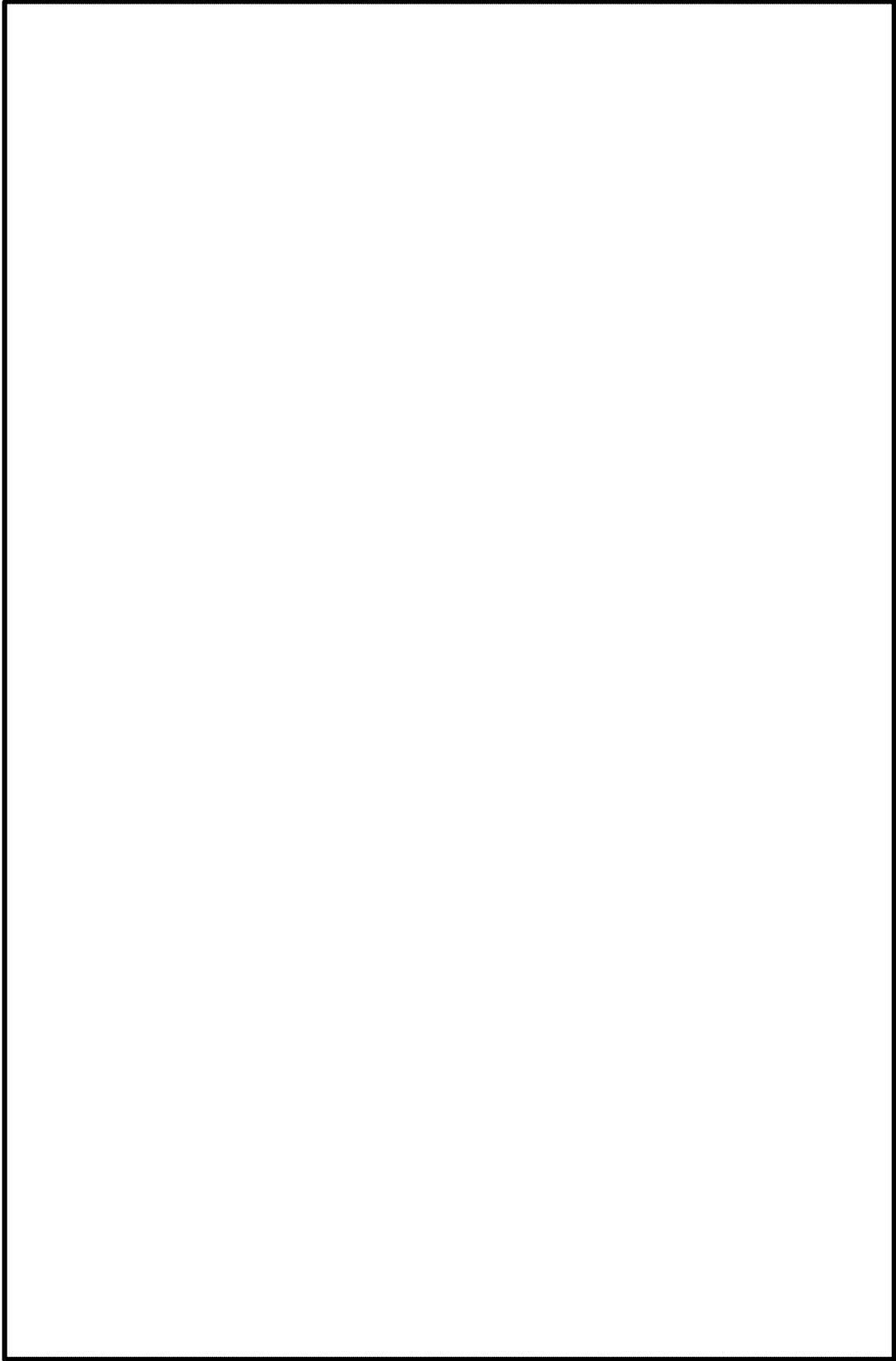
**Focal Point Community Campus**



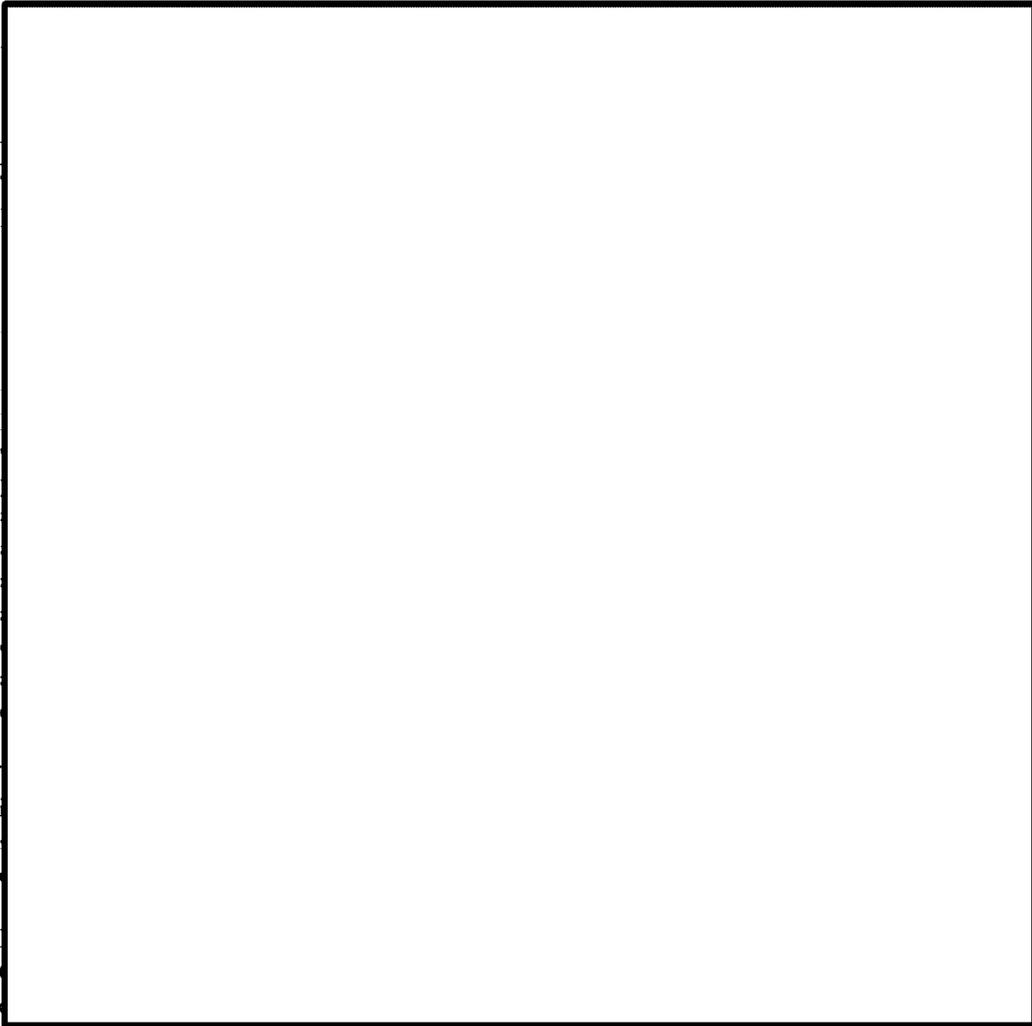
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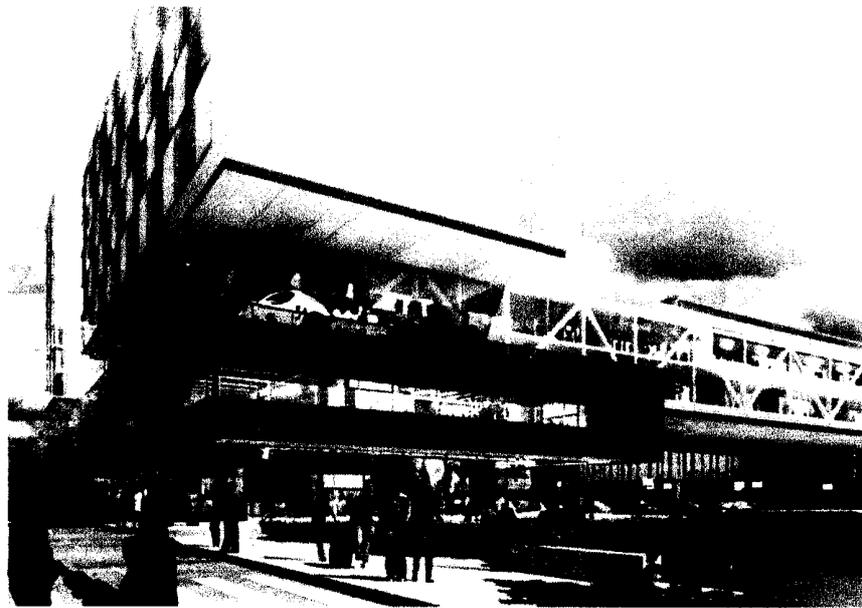
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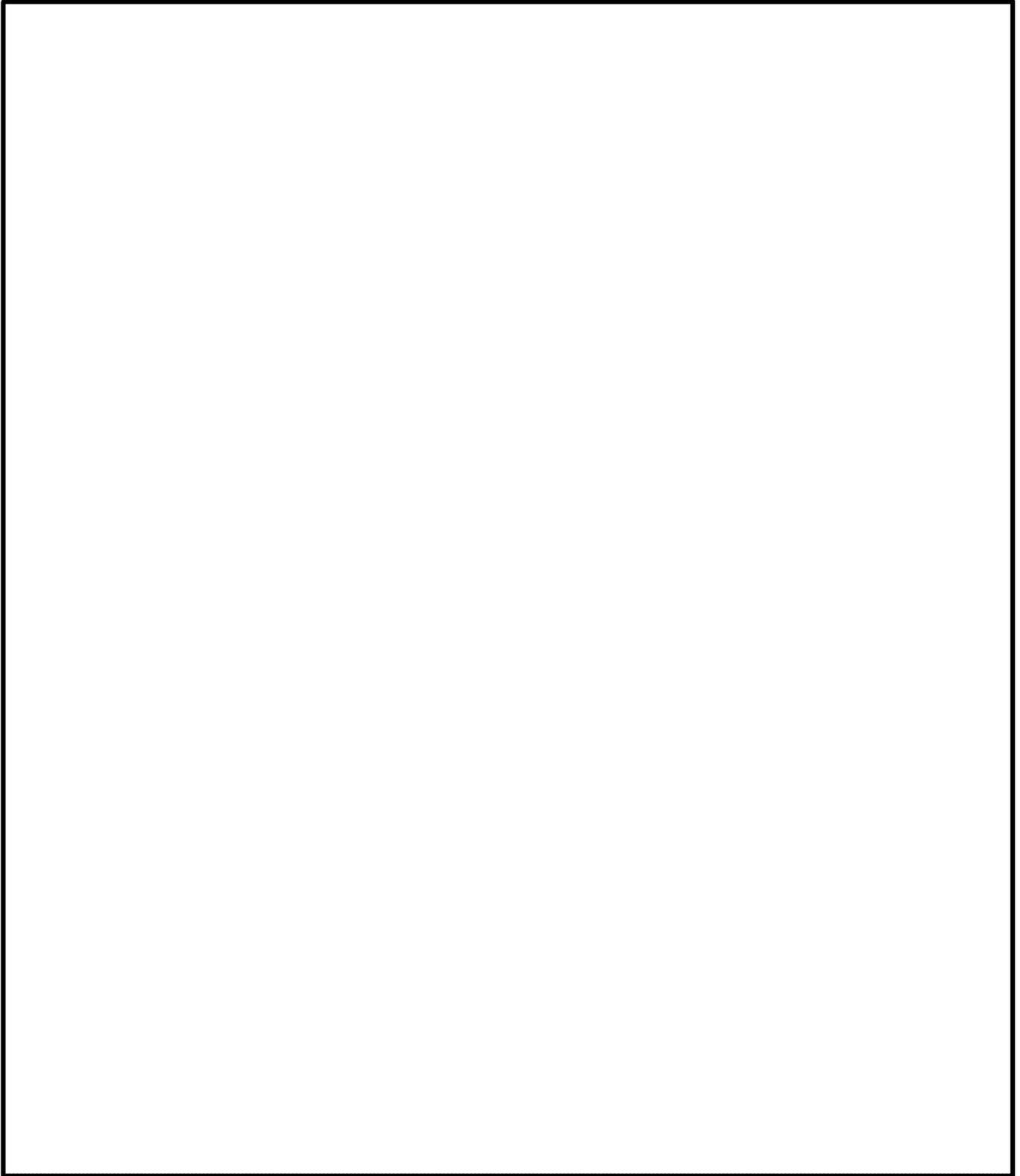
healthier, wholesome lives.



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## Philanthropic Opportunities

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SAINT ANTHONY  
HOSPITAL

**Saint Anthony Hospital – New Community Campus Focal Point  
Retail Potential Analysis  
Site Location: 31<sup>st</sup> Street and Kedzie Avenue**

September 24, 2012



# Table of Contents

Executive Summary	Page 3
Retail Sales Analysis Table	Page 4
Retail Sales Analysis Charts	Page 5
Potential Retailers	Page 7
Retail Maps	Page 11
Demographic and Income Profile	Page 16

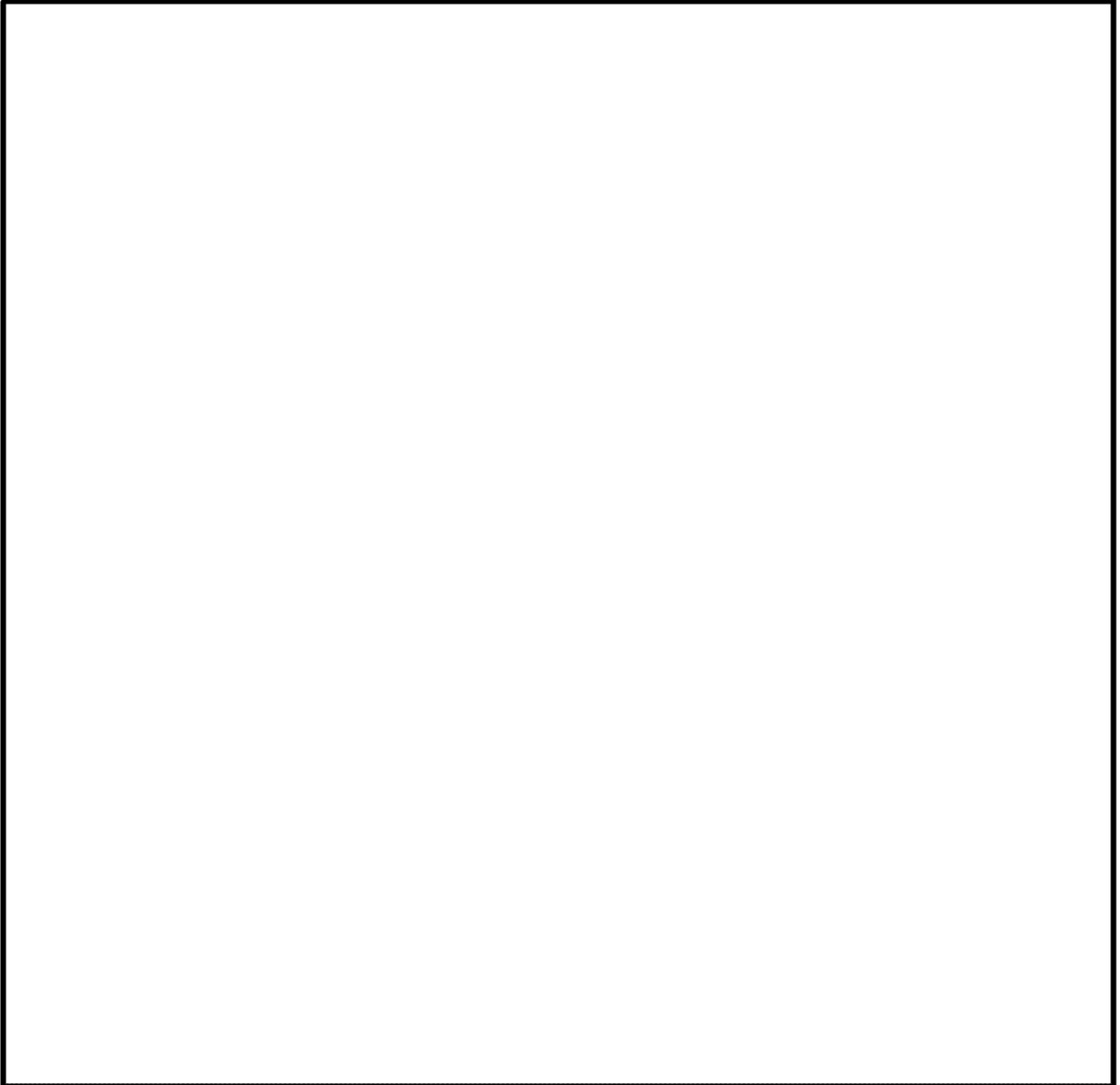
## USE OF WORK PRODUCT AND RELIANCE

Any draft or final report contained herein shall be used solely for the internal purposes of Saint Anthony Hospital ("Client") and Client agrees that it shall not use any such reports in connection with any public documents. Further, JLL shall not be referred to in any public documents without JLL's prior written consent, which may be given in its sole discretion.

The data, documentation, and assumptions contained herein are derived from information supplied by Client and published information prepared by other industry sources and have not been independently verified by JLL. JLL will not be responsible for the accuracy of such data and information, and for any assumptions derived therefrom. The reports and analysis herein are based on JLL's professional evaluation of all such available sources of information. Client acknowledges and agrees that there may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material and hereby releases JLL from any claims or liability arising from these differences.

# Executive Summary

(b)(4) Jones Lang LaSalle has examined the parcel located at the southwest corner of 31st Street and Kedzie Avenue in Chicago to quantify the potential for a retail component as part of an overall redevelopment of the site for Saint Anthony Hospital – New Community Campus Focal Point. Our methodology incorporates a measure of supply, demand, consumer spending habits, and retail saturation surfaces.



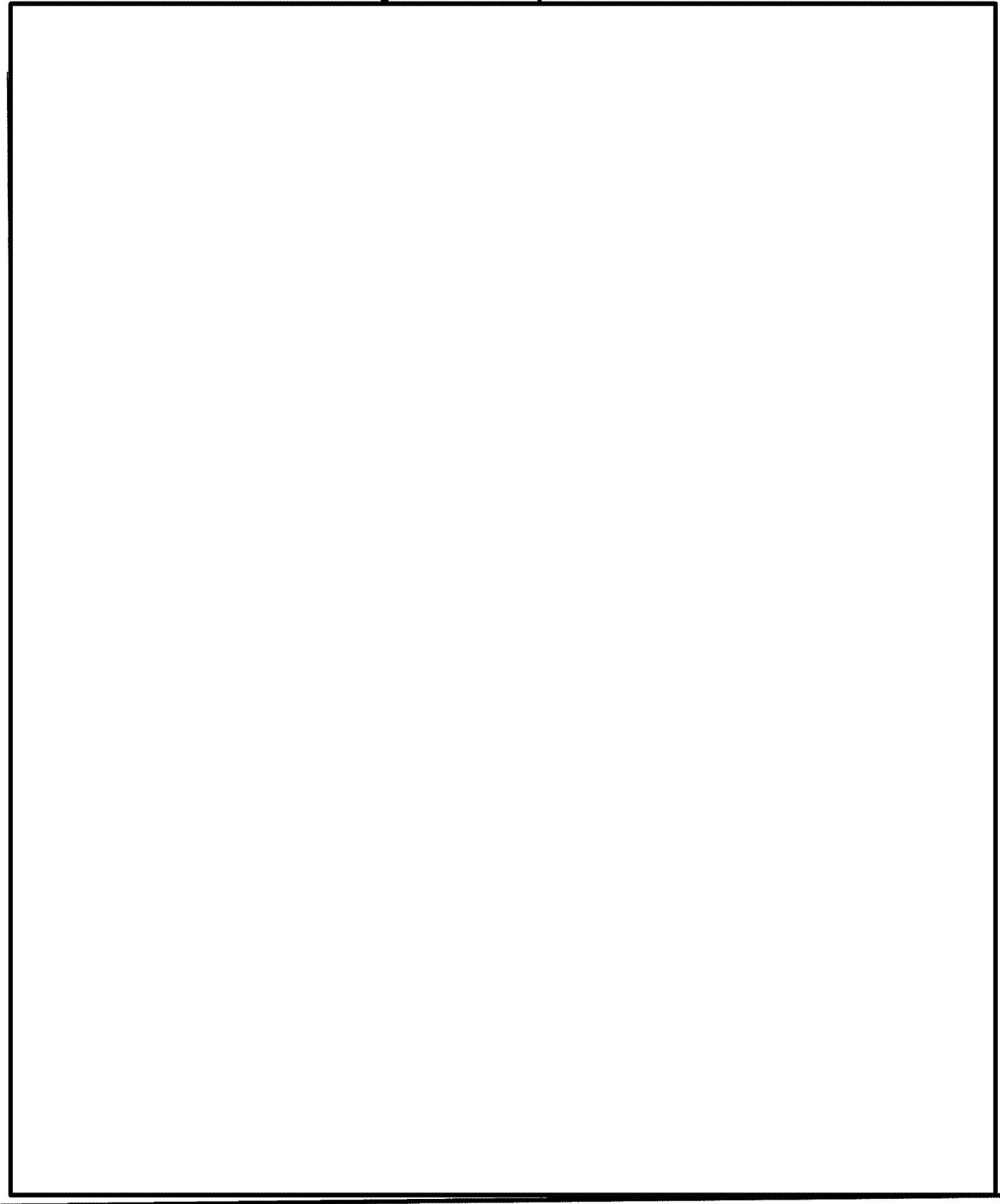
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# Retail Sales Analysis Table

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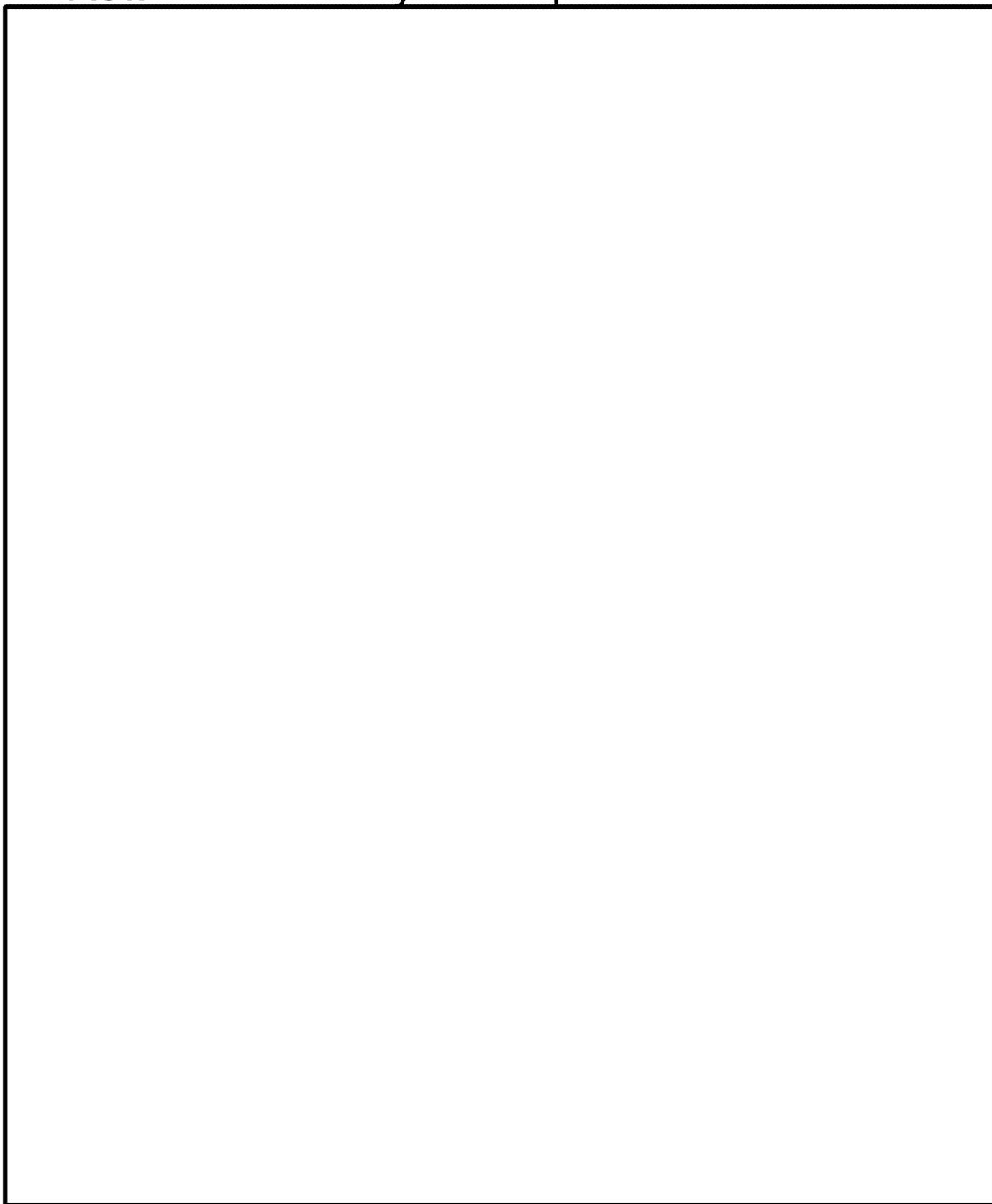
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# Retail Sales Analysis Graph



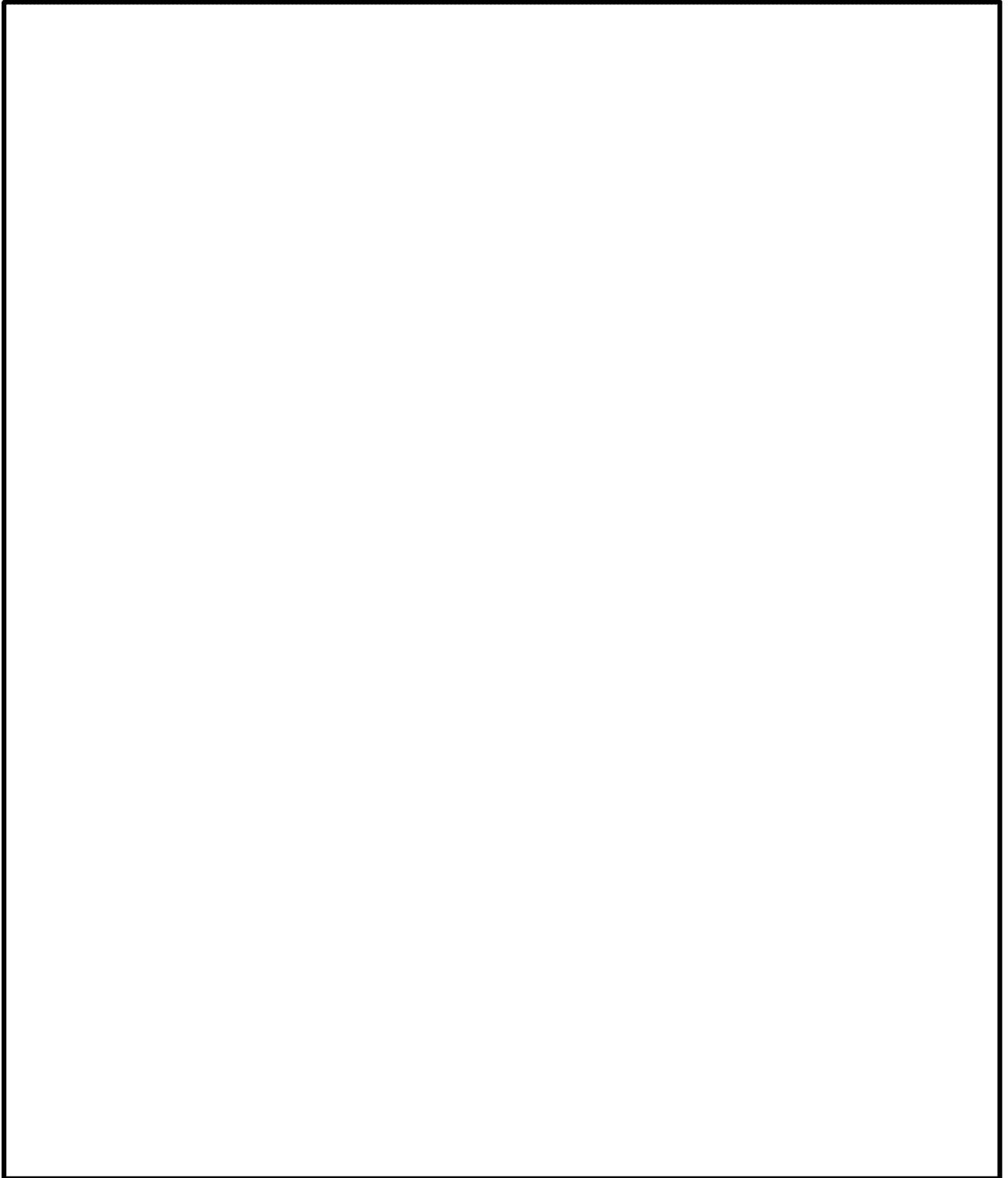
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# Retail Sales Analysis Graph



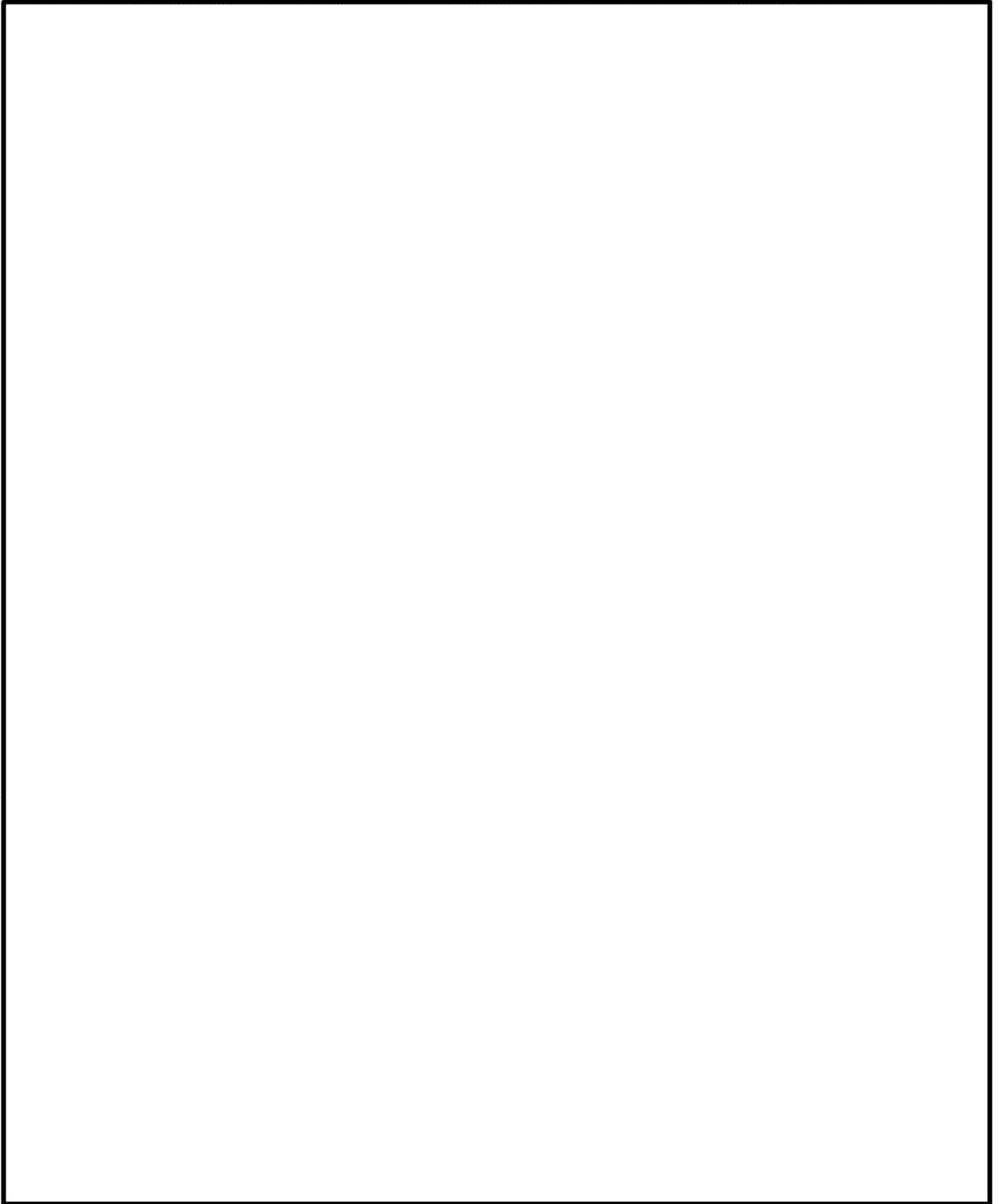
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## Potential Anchors



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# Potential Big Box



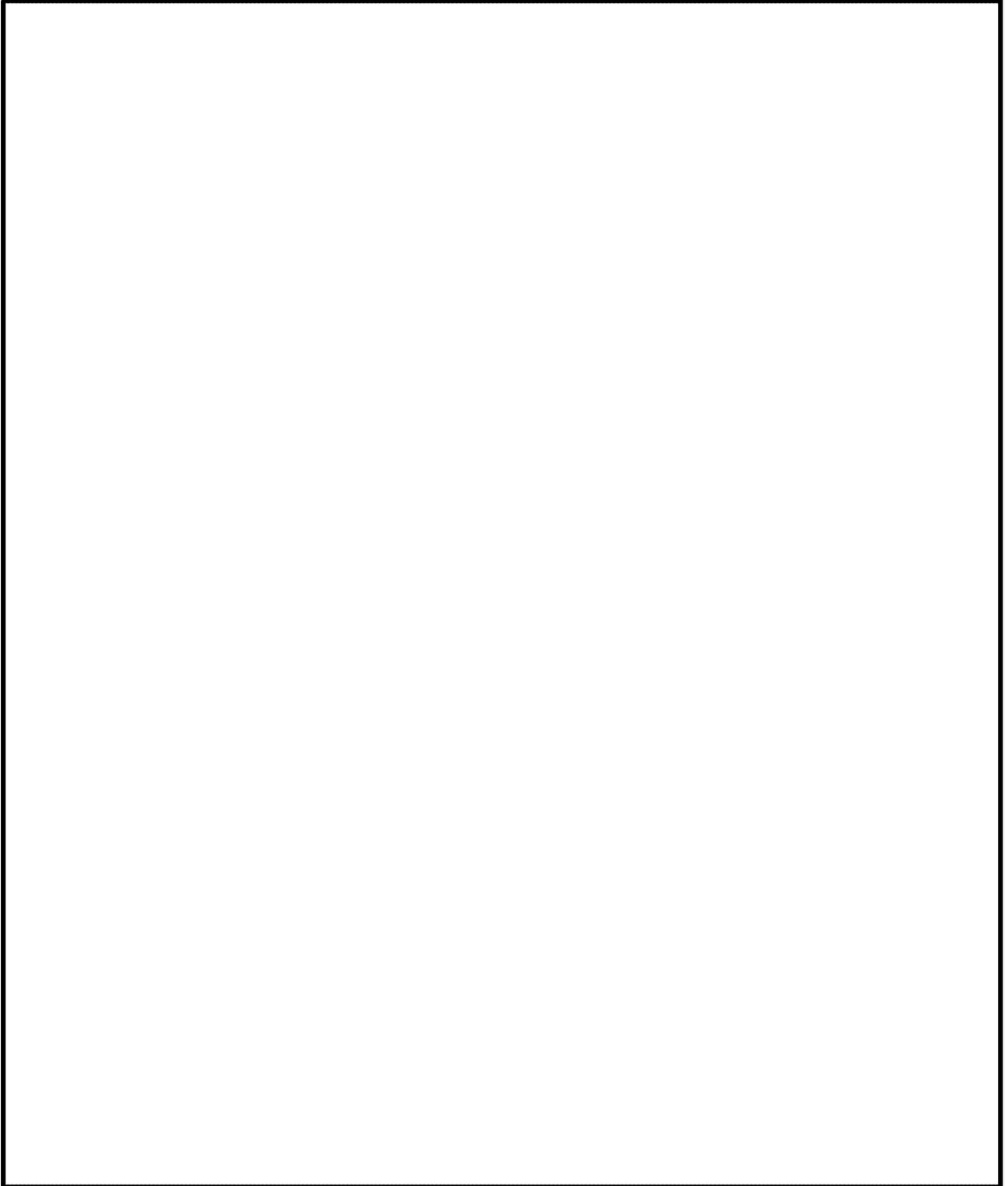
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## Potential Apparel



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## Potential Electronics/Gaming/Wireless





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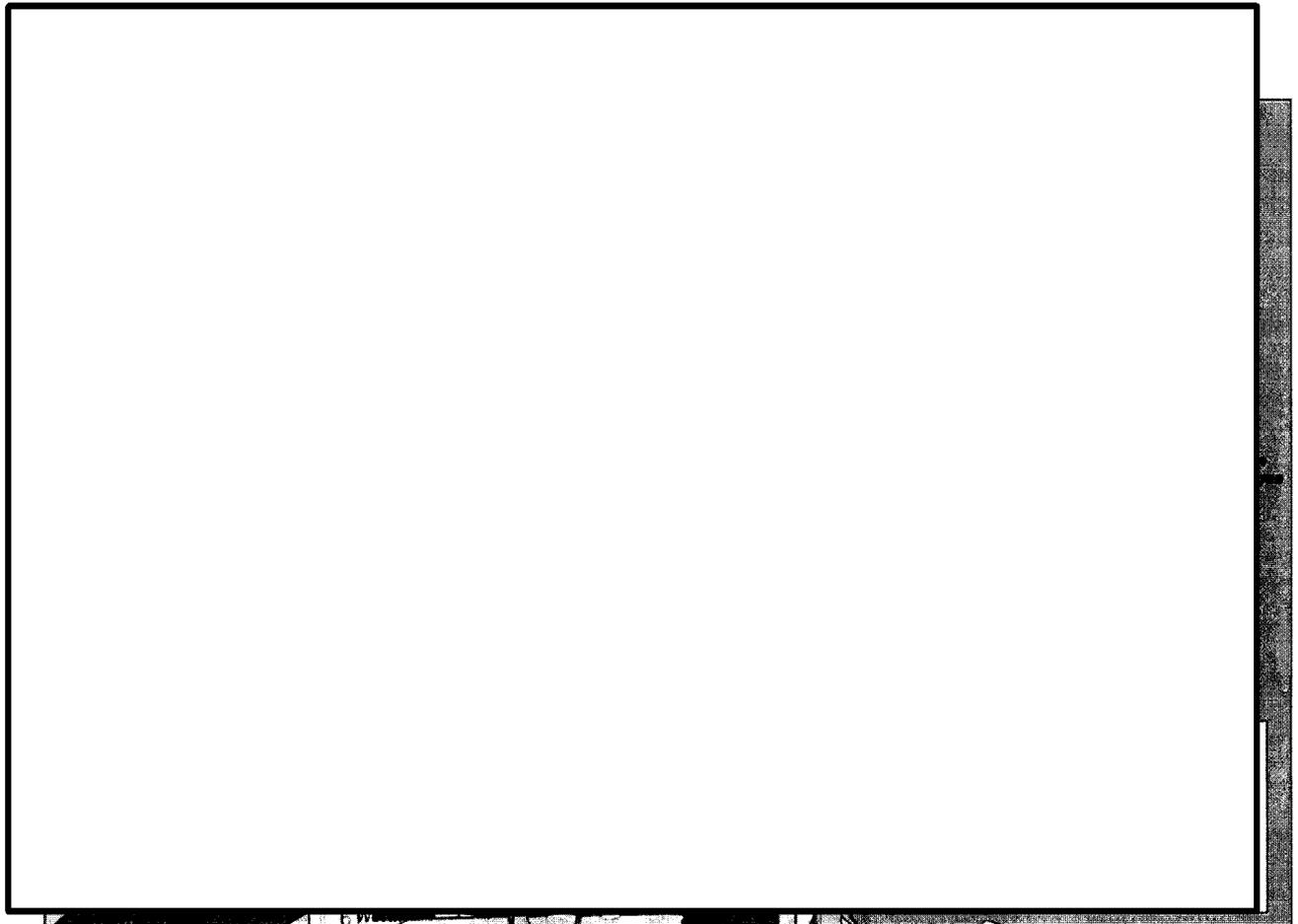
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## Retail Maps

# Saint Anthony Hospital Target Shopping Propensity Map

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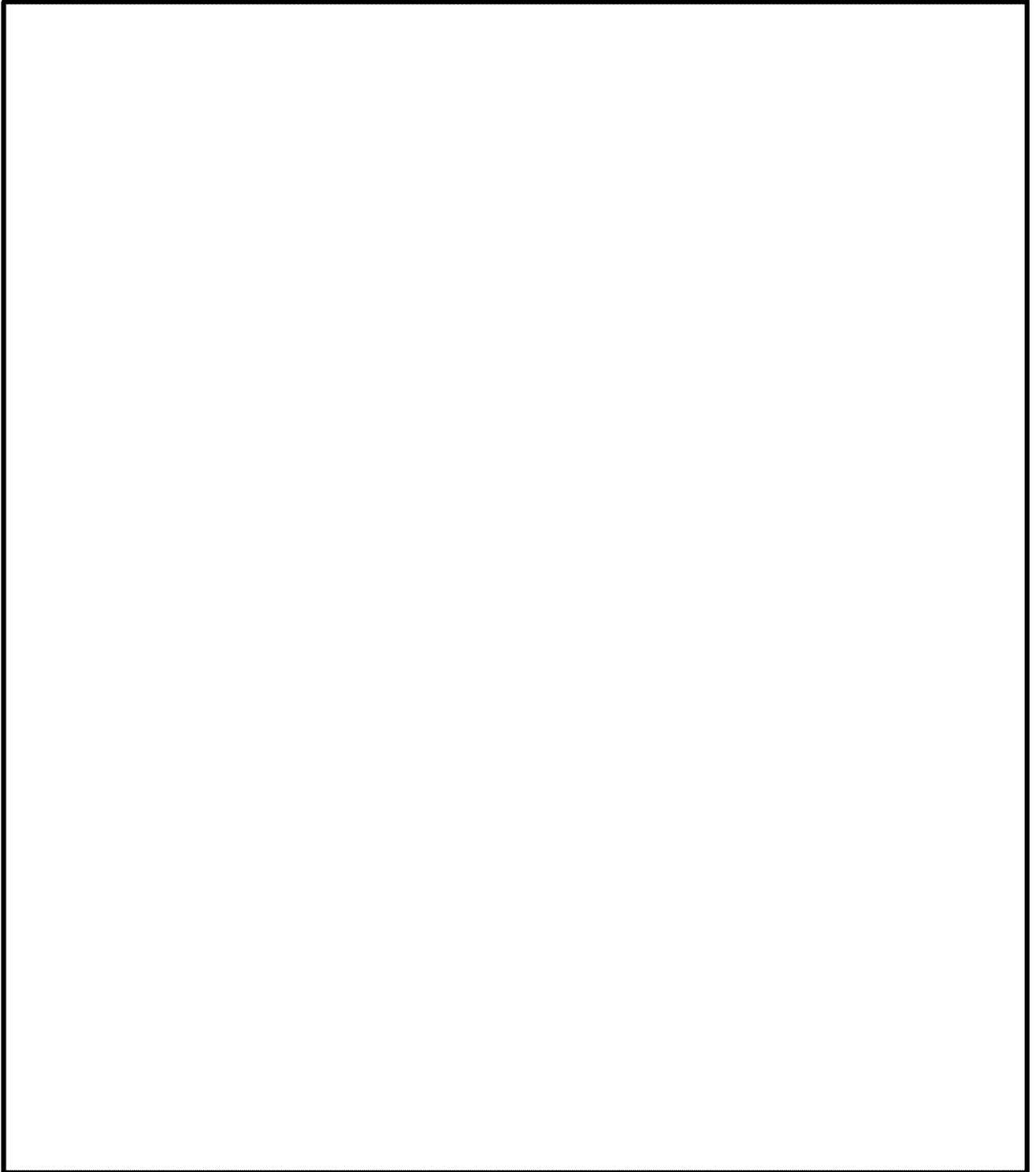


*Resource: Esri 2012*

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# Saint Anthony Hospital

## Retailer Map – Grocery

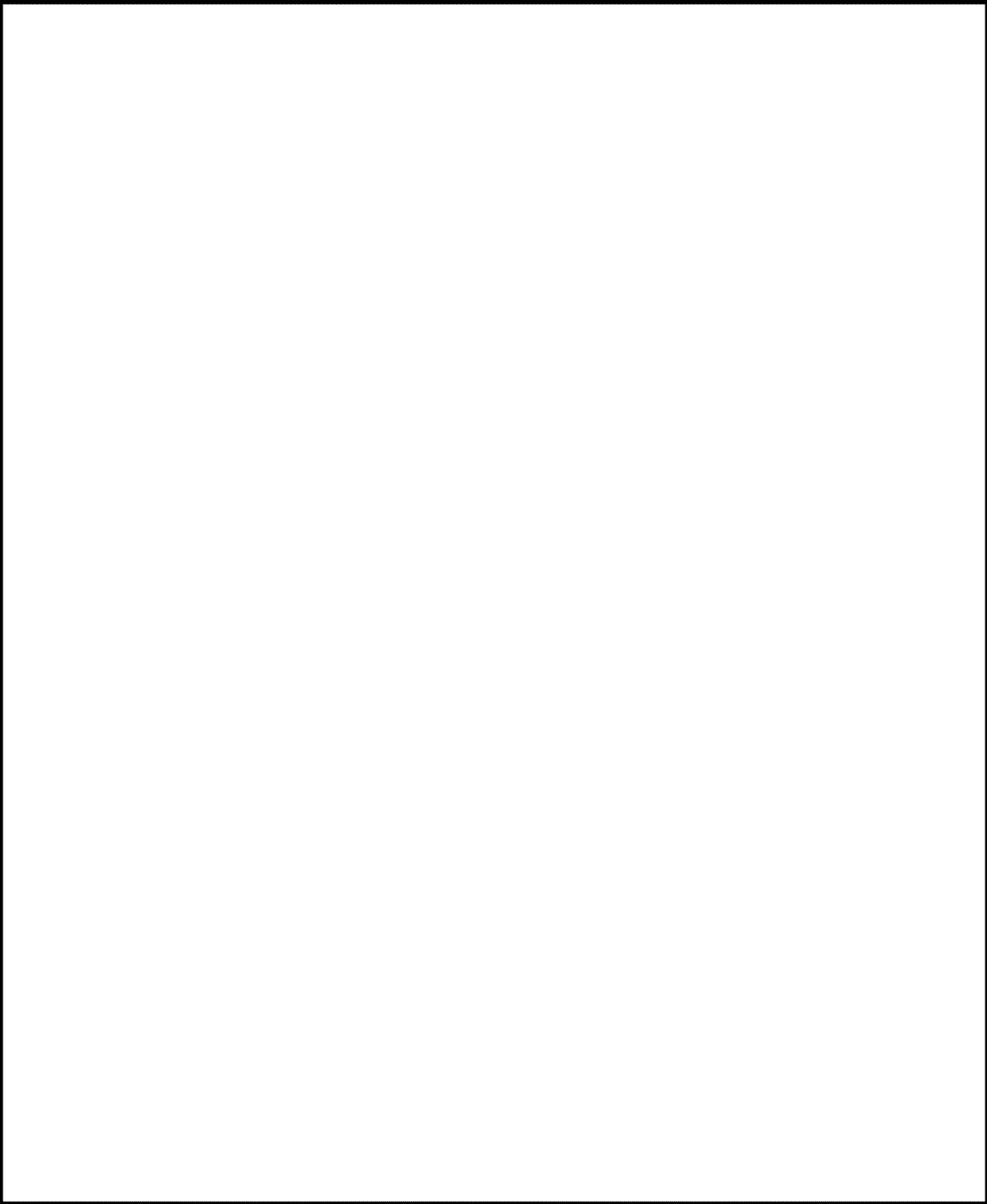


*Resource: Esri 2012*

# Saint Anthony Hospital

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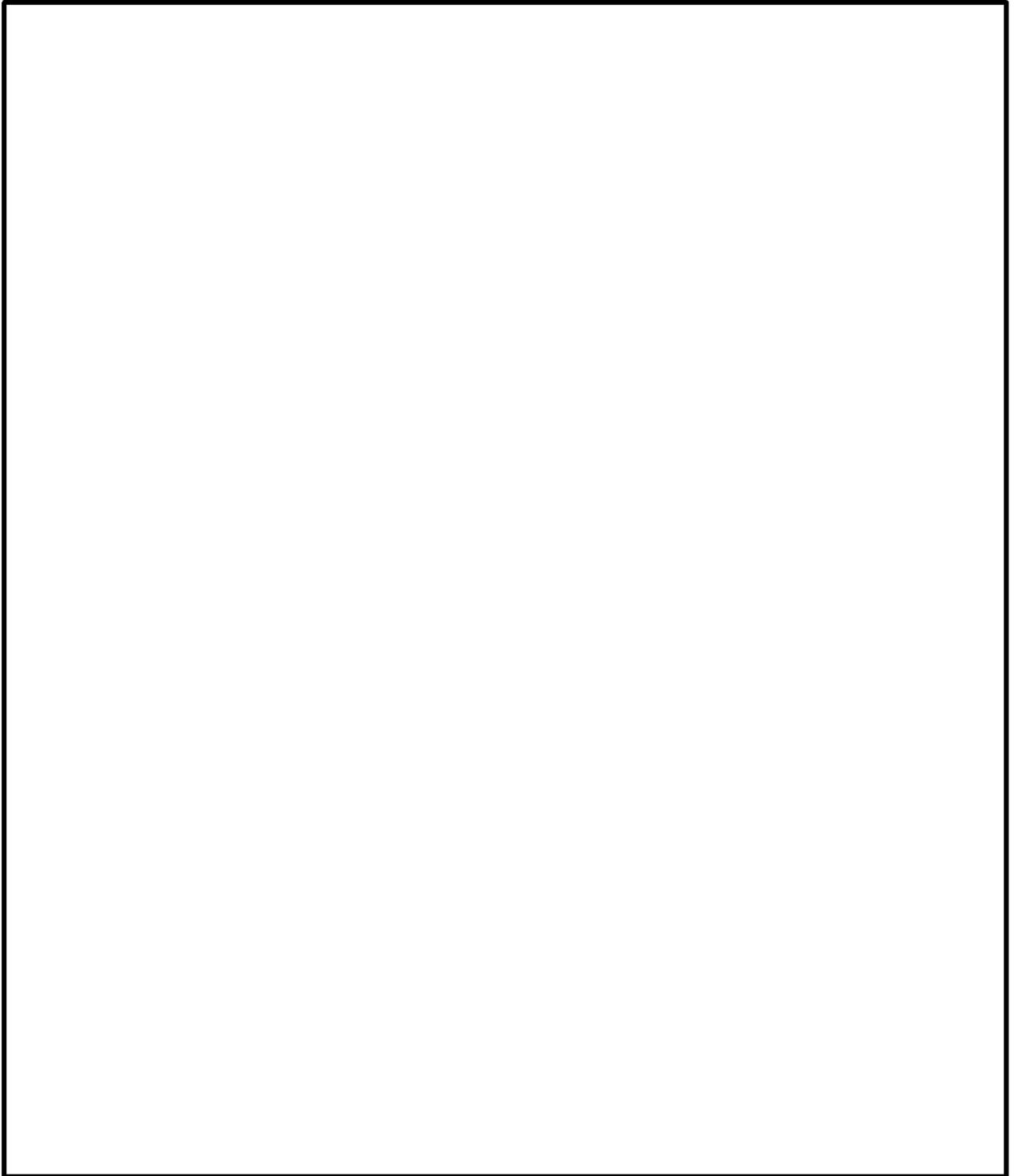
## Retail Map – Fitness Centers



Resource: Esri 2012

# Restaurant Locations

(b)(4) Retailer Map Food Away from Home – Meals at Restaurants



Resource: Esri 2012



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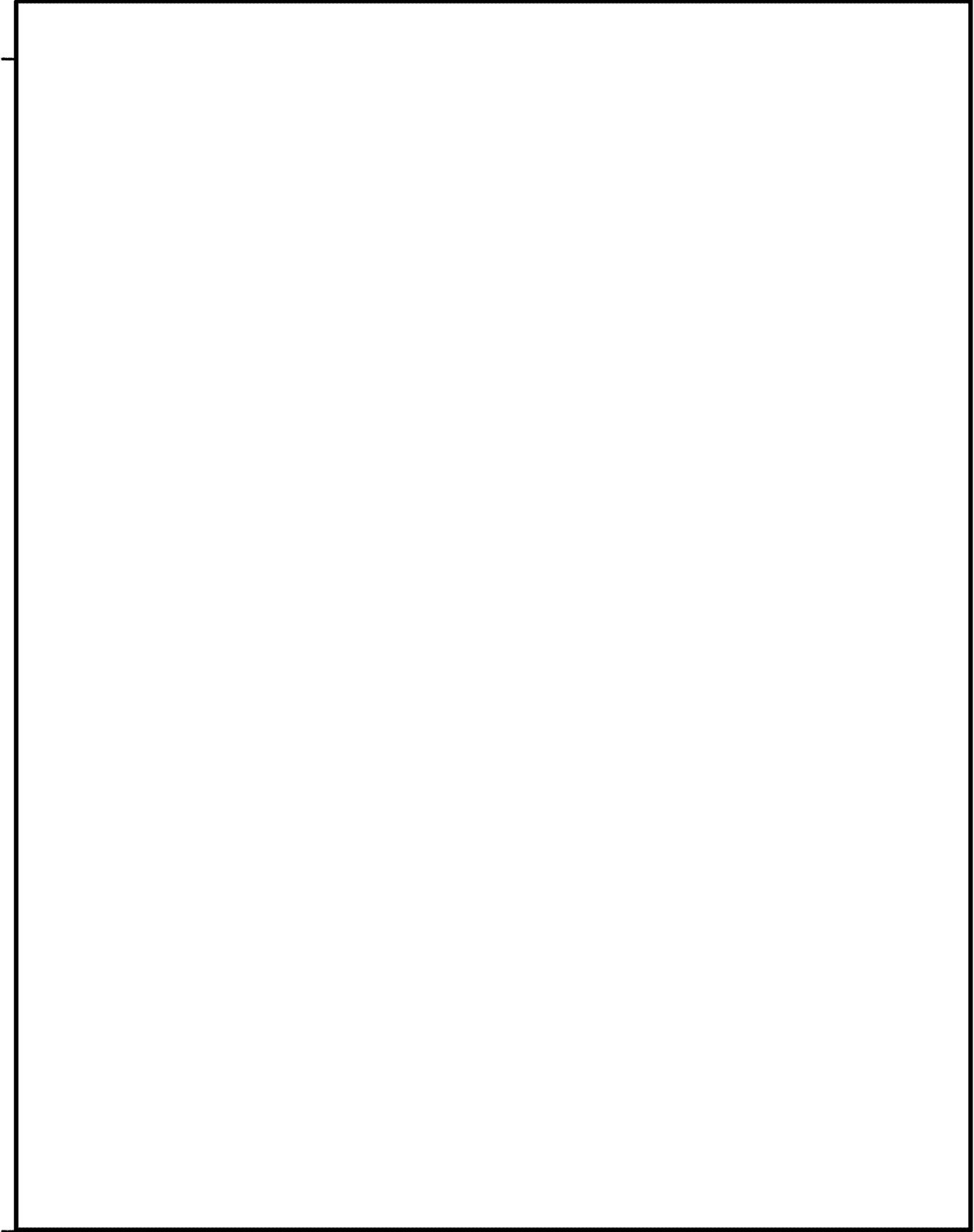


## Demographic and Income Profile

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Demographic and Income Profile

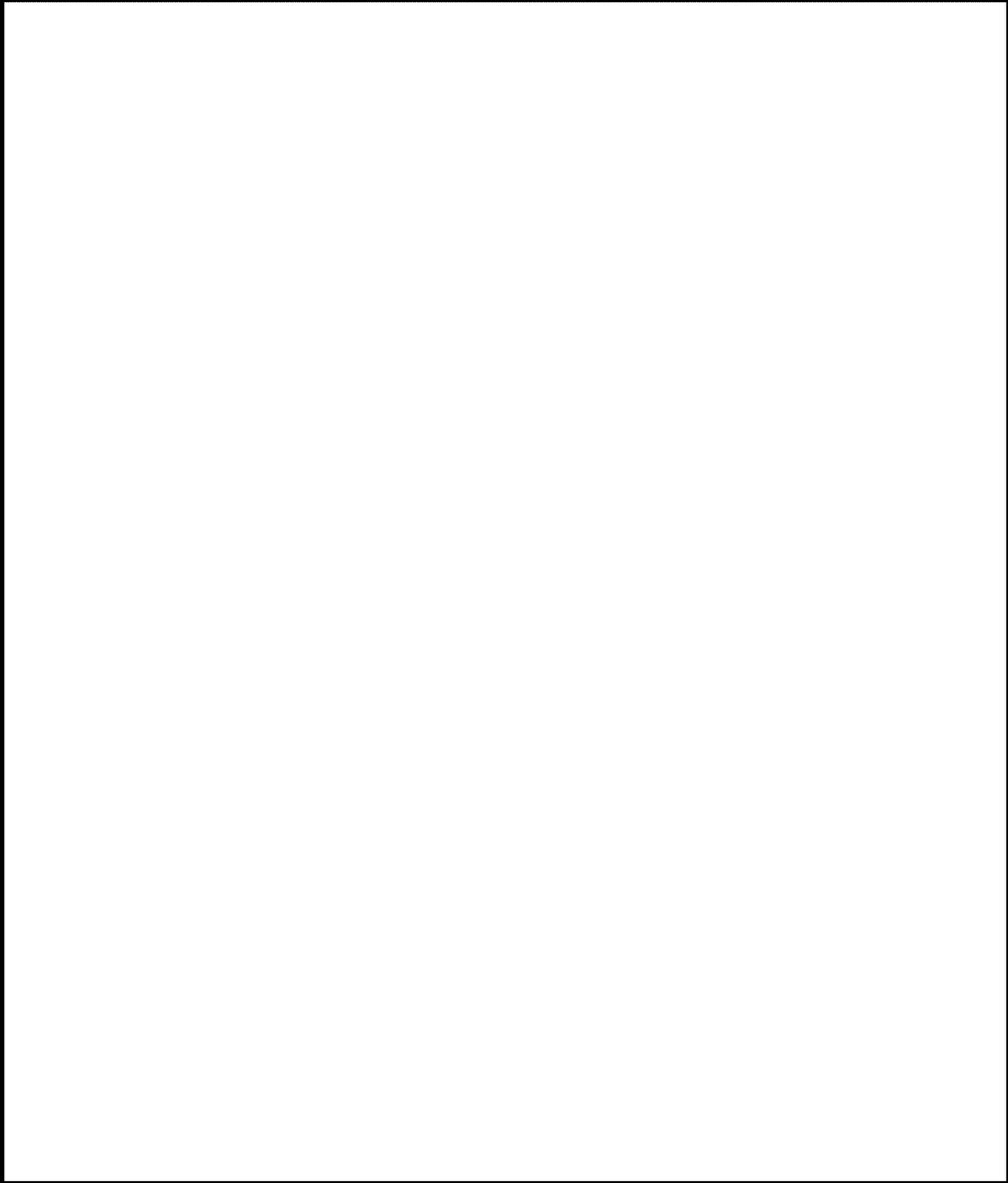


June 27, 2012

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Demographic and Income Profile



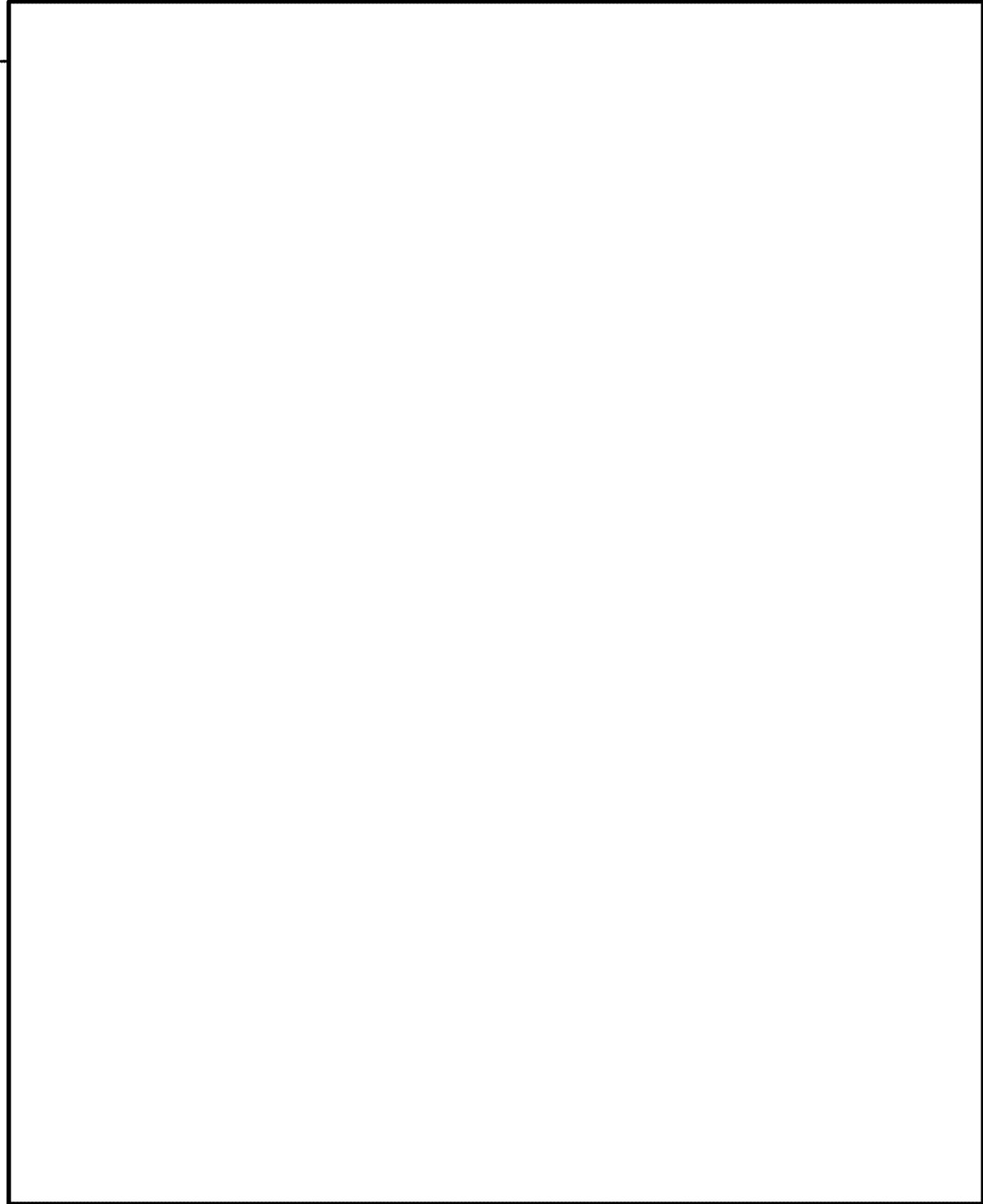
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

June 27, 2012

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Demographic and Income Profile

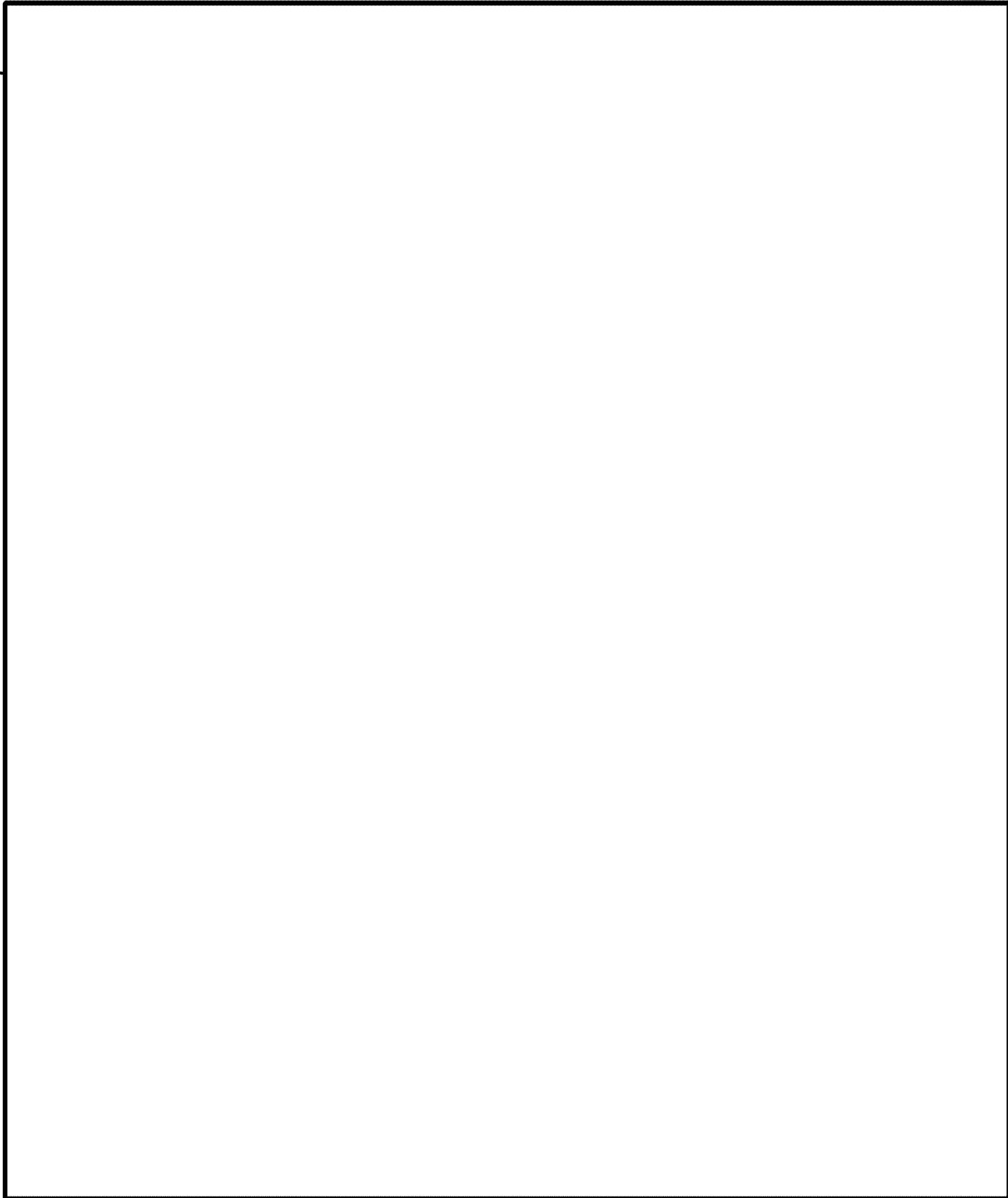


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Demographic and Income Profile



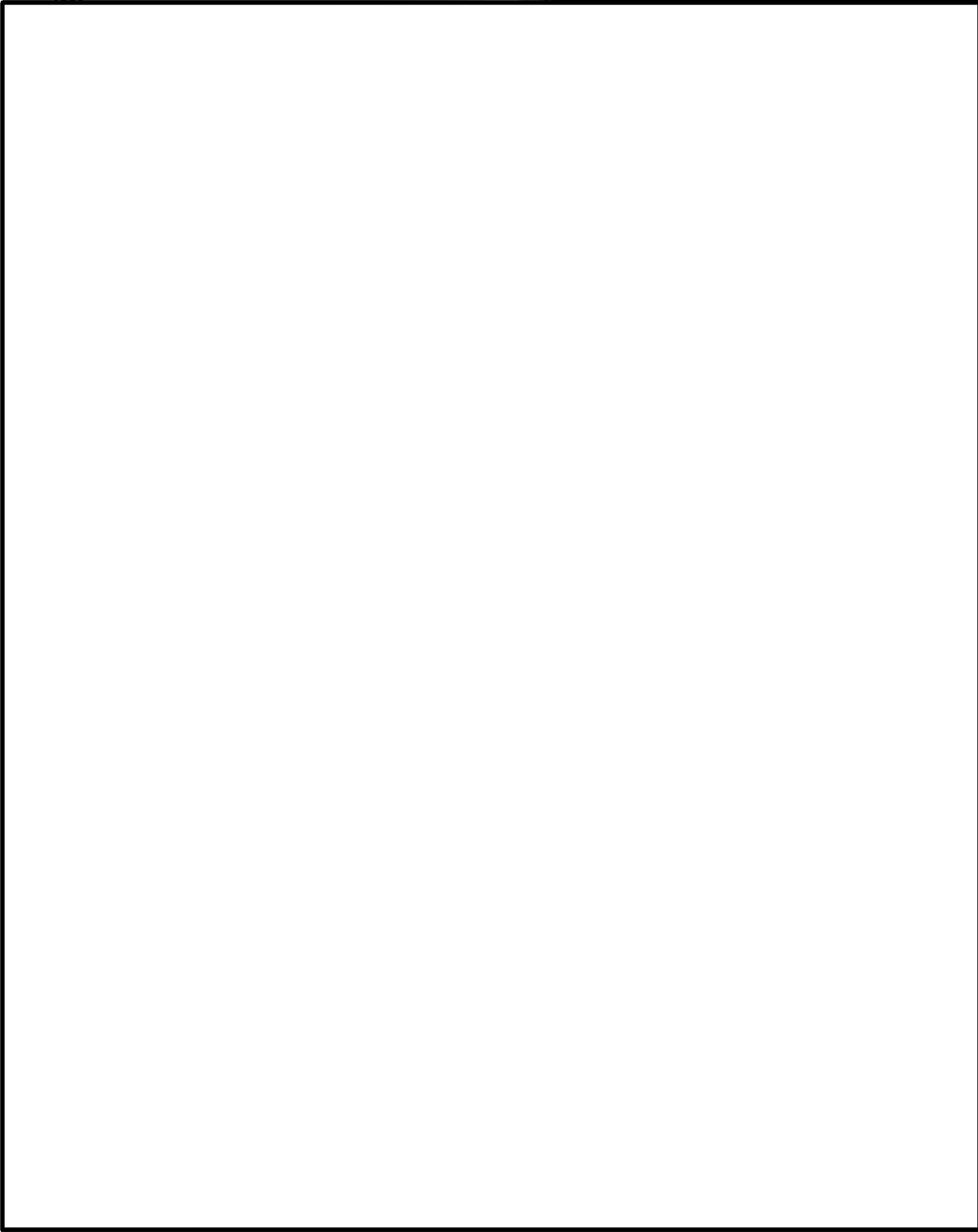
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

June 27, 2012

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Demographic and Income Profile



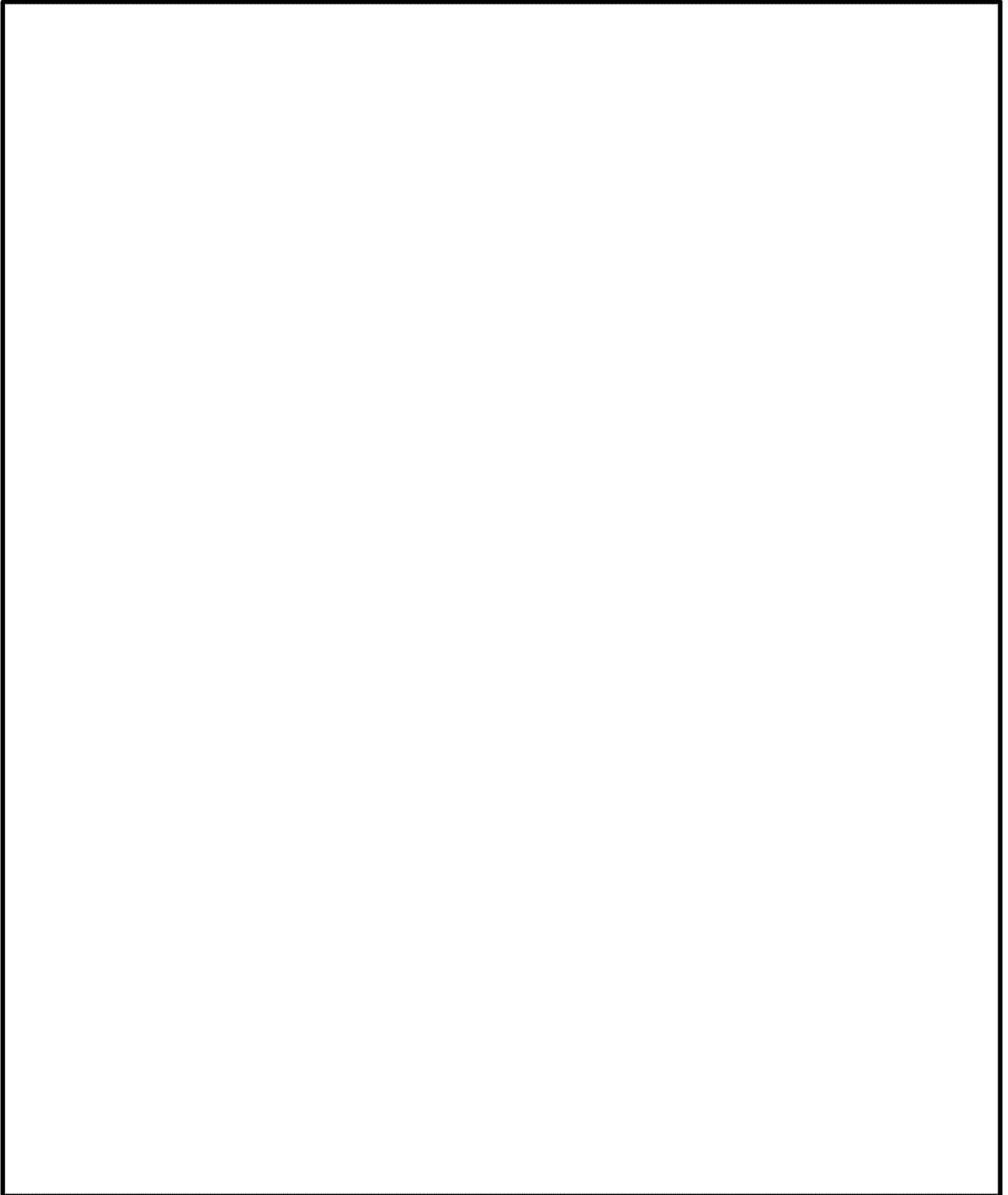
June 27, 2012

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## Demographic and Income Profile

31st and Kedzie



**Source:** U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

June 27, 2012



Appendix G – “No Small Plans: Rahm’s ‘strategic vision’ for seven neighborhoods” – Chicago Sun Times, March 18, 2013

# NO SMALL PLANS

## Rahm's 'strategic vision' for seven neighborhoods

BY FRAN SPIELMAN

City Hall Reporter  
fspielman@suntimes.com

A "permanent farmer's market" that could rival Seattle's Pike's Market. The nation's longest protected bike lane. An Uptown Music District. A pedestrian bridge over Lake Shore Drive at 35th Street. An elevated, boardwalk bike trail at the Drive's north end.

Those are just some of the ideas that could become a reality, thanks to a \$3 billion plan that shows Mayor Rahm Emanuel is taking Daniel Burnham's "make no small plans" mantra to heart.

Emanuel has identified seven geographic areas brimming with either development or promise — Bronzeville, the Eisenhower Corridor, Englewood, Little Village, Pullman, Uptown and Rogers Park — and targeted those "Opportunity Planning Areas" for the City Hall equivalent of a full-court press.

With a combined \$2.65 billion in private-sector and university projects on the drawing board, Emanuel wants to pump an additional \$350 million in city money into those areas to accelerate the progress.

The city's contribution would come in the form of federal, state, Park District and city land and transportation funds, as well as general obligation bonds and tax-increment-financing (TIF) districts.

"Usually, we'll put in a train station. We'll pave a road. We'll put [in] some streetscape. And that was it. This is a more nuanced, coordinated effort . . . to make a series of investments in neighborhoods in a strategic vision," Emanuel said in an exclusive interview with the Chicago Sun-Times.

Using the Eisenhower corridor as an example, the

mayor said, "Malcolm X is getting a new university campus. We did convince the Bulls to come down and build a new training facility. So, you have some things that are happening. What could we do to kind of draft behind that — using the bike racing term — to facilitate and accelerate what is happening so it doesn't happen over a three-, four-, five-year window, [but] it happens quicker with a bigger economic punch that benefits the entire city?"

Top mayoral aides started last fall with "18 to 22" areas, then homed in on the seven areas that hold the most promise.

"In Englewood, you have Kennedy-King. It's becoming the center for hospitality and culinary. But there's a lot of open land. So we're gonna be investing a lot in urban agriculture that . . . takes advantage of Kennedy-King's strength. In Bronzeville, we're having the Gospel Fest that's gonna be down there now on a regular basis. There's a cultural element. We're talking about marketing it as the 'New Harlem,'" Emanuel said.

Former Mayor Richard M. Daley used four years of up-to-the-limit property tax increases to rebuild libraries, police and fire stations he viewed as "anchors" for neighborhood development.

Emanuel's plan makes Daley's look like small potatoes:

**Mayor Rahm Emanuel**

**EISENHOWER CORRIDOR:** This area clearly falls into Emanuel's "happening" category, with the United Center, the Bulls' soon-to-be-built training facility, plans for a new Malcolm X College, the CTA's new Morgan Street station, and the Fulton Street market.

City plans call for: an "entertainment district" along Madison Street; rehabilitation of the Illinois Medical District station on the CTA's Blue Line; a giant bike garage at Morgan and Fulton; streetscaping along Damen, Fulton and a permanent farmer's market with its own dedicated, year-round facility.

"You already have the produce and meat market along Fulton, and you're beginning to see different types of produce and suppliers coming in there,"

said

Housing and Economic Development Commissioner Andy Mooney.

"Temporary markets are . . . there for a day or two or a week. This would be a year-round, functioning market with the same type of vendors. . . . It would provide a permanent location for local farmers and other suppliers to provide their, probably organic types of products in a permanent structure. . . . Like Pike's market in Seattle or the Cleveland or St. Louis market, it could become a tourism draw similar to the way the markets are in these other cities."

Cultural Affairs and Special Events Commissioner Michelle Boone added, "This would be something everybody across the city could go to: restaurateurs, families, individuals who live in that immediate community and also be supportive of urban farmers."

The Bulls also want to build a \$95 million retail and entertainment complex on the east side of the United Center, but only if they get an extended property tax break.

That's a politically sensitive subject that, Emanuel stressed, has not yet been decided. Mooney added, "We'd love to see it happen, but we're not counting on it."

**ENGLEWOOD:** City Hall wants to belatedly build around the \$254 million Kennedy-King College and its Washburne Culinary Institute. City land would be converted into at least three more urban agriculture sites. TIF funding would be used to attract commercial development to a city-owned site kitty-corner from the college on the northwest corner of 63rd



and Halsted.

In between the "new farms," as Mooney put it, there are plans to convert two unused rail spurs — on 49th Street and between 58th and 59th Streets — into "elevated" bike trails.

"These could be used as a way to spur redevelopment in Englewood similar to what's going on with the Bloomingdale Trail on the North Side," Mooney said.

**ROGERS PARK:** With Loyola University Chicago moving aggressively to "re-invent" itself as a "residential" university, City Hall wants to help it along.

Plans call for streetscaping the Devon and Broadway commercial strips and using speed bumps and other "traffic-calming" devices to create a more pedestrian- and bike-friendly environment.

"We need traffic enhancements and potentially closures along Kenmore and Winthrop Avenues to help Loyola turn that into more of a campus feel," Mooney said.

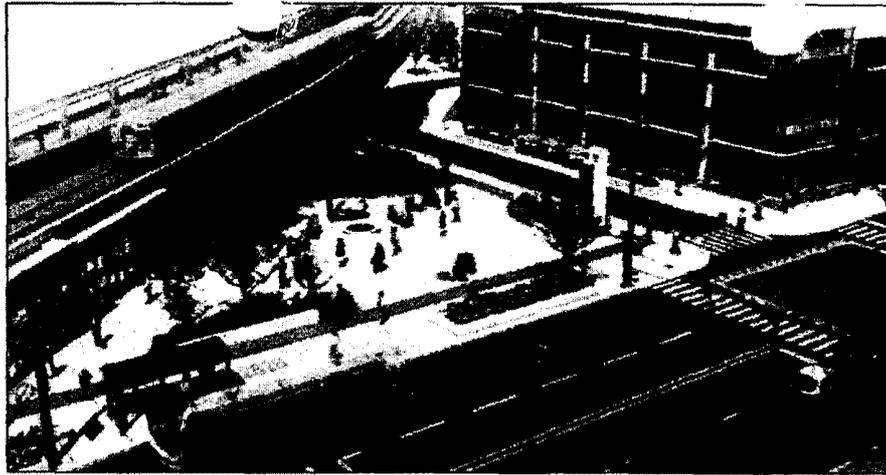
"We're taking a look at [vacating those streets] because they now own nearly all of the real estate along both streets."

The Chicago Park District also plans to build a 1,200-foot "lakefront beach trail" between Hollywood and Thorn-dale at a cost of \$4 million.

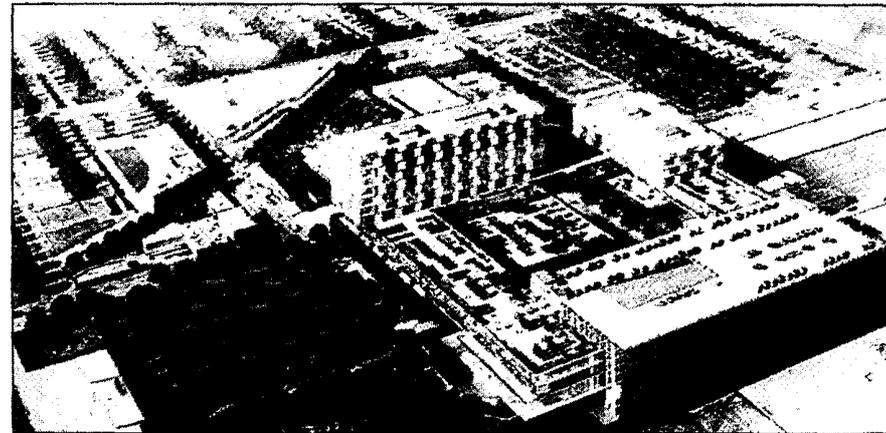
"This is a very nice [way] to get some of that bike pressure off that turn that dumps into Sheridan and is very dangerous," said Park District Supt. Michael Kelly.

"This would be an elevated bike trail. We would continue the [lakefront] bike trail. It would be more of a boardwalk form because of the lake levels. Now, they're low, and they've been low for quite a while, but eventually, they're gonna come back up."

**UPTOWN:** Emanuel has talked about creating an Uptown Music District akin to the downtown theater district to synergize the area's musical treasures: the Green



Artist rendering of the Loyola CTA Red Line Station and plaza.



Artist rendering of the proposed St. Anthony health-oriented development.

Mill, the Aragon Ballroom, the Riviera and the Uptown Theater.

With the CTA rebuilding the Wilson Station, the city's plan calls for using signage, gateway identifiers and streetscaping along large stretches of Broadway and Lawrence to create a "distinctive" environment.

It also calls for creating a "people plaza" at Broadway and Racine, a "people street" on Clifton that could be shut down for musical performances and use parking garage at Truman College to lure music fans.

**LITTLE VILLAGE:** Last year, Emanuel touted 26th Street as Chicago's "second Magnificent Mile" — second only to Michigan Avenue — and said the bustling commercial strip should be marketed that way. The city now plans to do just that — by

creating a distinctive gateway to 26th Street. The plan also relies heavily on the 22-acre park to be built this summer at a former Superfund site at 2800 S. Sacramento and on the massive St. Anthony Hospital development on city-owned land appraised at \$2.1 million, but sold for \$1.

**BRONZEVILLE:** This bustling area with its rich cultural history is in line for several new projects, ranging from a pedestrian bridge over Lake Shore Drive at 35th Street to a Botanic Garden farm at State and Federal on the site of the old Robert Taylor Homes. The city also plans to install a protected bike lane along a 51-block stretch of State Street that would be the longest of its kind in the nation.

"South of IIT, there's a lot of capacity and not enough

cars. We're gonna take advantage of that capacity, slim the roadway down and make it safer. It's part of our road diet strategy so the cars slow and it's safer for people to cross the street and cycle," said Transportation Commissioner Gabe Klein.

**PULLMAN:** Local Ald. Anthony Beale (9th) fought for years to get a Wal-Mart Supercenter at 720 E. 111th St. Now, the city hopes to use that Pullman Park development as a catalyst for development. Plans include: pursuing a national park designation for the Pullman National Register District; resurfacing Corliss Ave.; rehabilitating the Pullman Wheelworks Apartments; developing a "live-work" space for artists in North Pullman, and marketing the residential and historical cultural assets of Pullman.



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*Appendix H – TEA designation letter dated April 16, 2013*



Pat Quinn  
Governor

Jay Rowell  
Director

April 16, 2013

David B. Anderson  
Great Lakes Regional Center, LLC  
20 North Wacker Drive  
Suite 2200  
Chicago, IL 60606

Dear Mr. Anderson:

Please be advised that the Illinois Department of Employment Security (IDES) is the designated state agency with the authority to certify that geographic areas within the State of Illinois qualify as areas of high unemployment under the Alien Entrepreneur Visa Program.

This is to confirm that the proposed project to be located on land southwest of the intersection of 31<sup>st</sup> Street and South Kedzie Avenue in Chicago is an area of high unemployment as defined in Section 8 CFR 204.6(i) of the Code of Federal. Federal regulations do not provide guidelines on how physical boundaries are to be evaluated, so IDES has made no judgment based on the physical boundaries of the area. IDES solely evaluates whether the geographic area meets the standards for a high unemployment area. Further, an area's final designation as a Targeted Employment Area will be made by U.S. Citizenship and Immigration Services.

The determination of eligibility is based on an analysis of the labor force data for the 12-month period ending December 2012 for the Chicago Community Area known as South Lawndale and the U.S. as a whole. The South Lawndale Community Area data were developed by the Economic Information and Analysis Division of IDES using the census-share method, as described in the U.S. Bureau of Labor Statistics Local Area Unemployment Statistics Program Manual. The average national unemployment rate for the year 2012 was 8.1 percent. The 2012 unemployment rate for the South Lawndale Community Area was 12.3 percent or 152 percent of the 2012 national unemployment rate.

**The State of Illinois has not investigated the proposed project, nor has it made an assessment about the quality of the project, or the potential for earnings of the project at the above address. The State of Illinois verifies that the area designated is an area of high unemployment and is contiguous but does not evaluate the geographic boundaries. Projects in a TEA are not affiliated with, or sponsored by, the State of Illinois or the Illinois Department of Employment Security.**

Sincerely,

Richard Reinhold  
Manager, Local Area Unemployment Statistics  
Economic Information and Analysis Division

Source: Illinois Department of Employment Security, Economic Information and Analysis

\* Latest 12 month period includes January 2012 through December 2012 - data are subject to change

County	Place Name	Chicago Community Area Name	Time Period	Labor Force	Employed	Unemployed	Unemployment Rate
United States (in thousands)	-	-	Latest 12 mo *	154,975	142,469	12,506	8.1
Cook	Chicago city	South Lawndale	Latest 12 mo *	29,429	25,821	3,608	12.3